

**KOTHARI INTERNATIONAL SCHOOL, NOIDA**  
**ANNUAL EXAMINATION, SESSION: 2025-26**  
**GRADE: 11 SUBJECT: ENTREPRENEURSHIP (066)**  
**SET A**

**MARKING SCHEME**

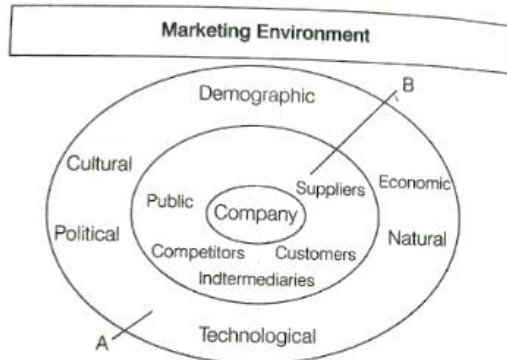
**Section A**

- Q1**     **ASSERTION- REASON** **1**  
**Assertion (A):** Startup cost is the cost which is incurred initially when a business is started.  
**Reason (R):** It consists of expenses for acquiring assets as well as for acquiring initial raw material.
- a. Both A & R are true and R is correct explanation of A.
  - b. Both A & R are true but R is not the correct explanation of A.
  - c. A is true, R is false.
  - d. Both A & R are false.
- Ans.**     a. Both A & R are true and R is correct explanation of A.
- Q2**     Seema wants to start her own business to supplement her family income. However, she does not have any business idea. Instead of actively searching for an idea, she believes that a great business idea will appear automatically. Which misconception related to business idea is indicative here? **1**
- a. Great ideas just appear out of nowhere
  - b. There are no illogical ideas
  - c. Implementing ideas is a problem
  - d. All of the above
- Ans.**     a. Great ideas just appear out of nowhere
- Q3**     Sameer is 18 years old. He works as a courier boy to earn his living. He saves a part of his earning to provide for his education. Which need(s) is/are being fulfilled by him, according to Maslow's Theory? **1**
- a. Physiological needs
  - b. Safety needs
  - c. Self-actualization needs
  - d. Both a. and b.
- Ans.**     d. Both a. and b.
- Q4**     Mr. Z become an entrepreneur because of government support provided in terms of financial assistance, incentives, concessions and other facilities. He is included in which category of entrepreneurs? **1**
- a. Motivated entrepreneur
  - b. Spontaneous entrepreneur
  - c. Induced entrepreneur
  - d. Technical entrepreneur

- Ans.** c. Induced entrepreneur **1**
- Q5** “An Entrepreneur reduces uncertainty in his/her plan of investment, diversification of production and expansion of the enterprise. He is a self- confident and highly optimistic person, willing to assume the risks involved in an innovation, new business and expansion of Existing Venture.” Which of the following Entrepreneurial function of an Entrepreneur is highlighted in Quoted lines? **1**
- a. Risk Taking
  - b. Organization Building
  - c. Innovation
  - d. Production
- Ans.** a. Risk Taking **1**
- Q6** Manik manufactures face masks. The selling price of a single face mask is ₹55 and the variable cost of making it is ₹30 per unit. Manik has to bear fixed expenses amounting to ₹25,000 per month. His break-even level of sale will be \_\_\_\_\_. **1**
- a. 100 units
  - b. 1,000 units
  - c. 2,000 units
  - d. None of these
- Ans.** b. 1,000 units  
Hint  $25,000 / (55 - 30)$
- Q7** 'Care and Clean' manufactures shampoos and hair oils and they are packed in 200 ml and 500 ml bottles. Faced with fall in demand, they decided to pack them in sachets of 10 ml and 20 ml. This represents the core value of \_\_\_\_\_. **1**
- a. innovation and creativity
  - b. respect for work
  - c. quest for outstanding performance
  - d. All of the above
- Ans.** a. innovation and creativity
- Q8** Kaushal Bhai identified the problem of poor rural women of Kerala and started making affordable bathing soaps for them under the brand name 'Auma'. The promotional function performed by him is \_\_\_\_\_. **1**
- a. Detailed Investigation
  - b. Discovery of an Idea
  - c. Assembling the Requirements
  - d. Financing the Proposition
- Ans.** b. Discovery of an Idea **1**
- Q9** A young boy, Aniket got a job in MNC located in Gurugram. After getting a job, his two basic requirements are salary and safe working environment. Which need of Aniket is satisfied according to Maslow Need Hierarchy Theory? **1**
- a. Safety needs
  - b. Self-actualization needs

- c. Social needs
- d. Ego and esteem needs

**Ans.** a. Safety needs **1**  
**Q10** Which concept is highlighted by A and B in the given picture? **1**



- a. A - Micro environment; B - Macro environment
- b. A - Macro environment; B - Micro environment
- c. Components of marketing mix
- d. None of the above

**Ans.** b. A - Macro environment ; B - Micro environment **1**

**Q11** Social entrepreneurs are needed in a society because \_\_\_\_\_. **1**  
 a. they lead to economic development  
 b. they develop new goods and services  
 c. they promote equity  
 d. All of these

**Ans.** d. All of these **1**

**Q12** Production, finance, marketing, personnel and accounting are all components of \_\_\_\_\_. **1**  
 a. entrepreneurial functions  
 b. promotional functions  
 c. managerial functions  
 d. commercial functions

**Ans.** d. commercial functions **1**

**Q13** Under \_\_\_\_\_ method of pricing, at the beginning, business charges a very high price for its product and later on reduces the price. **1**  
 a. cost plus pricing  
 b. market rate  
 c. skimming price  
 d. penetrating price

**Ans.** c. skimming price **1**

**Q14** XYZ Ltd. is lacking in the resources which cannot be seen, touched or preserved but can **1**

affect the profitability of the business. XYZ Ltd. is lacking in \_\_\_\_\_ resources.

- a. tangible
- b. intangible
- c. human
- d. physical

**Ans.** b. intangible **1**

**Q15** Kumar is a second generation member of a joint Hindu family business. He is rigid fundamental and cautious in his approach. He is a/an \_\_\_\_\_ entrepreneur. **1**

- a. Technical
- b. Fabian
- c. Imitative
- d. Induced

**Ans.** b. Fabian **1**

**Q16** .....broadly classified entrepreneurs as innovative, imitative, fabian and drone. **1**

- a. Charles Geschke
- b. C Danhof
- c. John Warnock
- d. McClelland

**Ans.** b. C Danhof **1**

**Q17** \_\_\_\_\_ is a survey chart or inventory for scheduling manpower requirements in an industrial plant. **1**

- a. Resource mobilization
- b. Manning table
- c. Job chart
- d. All of the above

**Ans.** b. Manning table **1**

**Q18** **ASSERTION- REASON** **1**

**Assertion (A):** Resource mobilization is not a single activity.

**Reason (R):** It involves a series of steps to get optimum utilization of resources.

- a. Both Assertion (A) and Reason (R) are correct
- b. Assertion (A) is correct, but Reason (R) is incorrect
- c. Assertion (A) is incorrect, but Reason (R) is correct
- d. Both Assertion (A) and Reason (R) are incorrect

**Ans.** a. Both Assertion (A) and Reason (R) are correct **1**

### **Section B**

**Q19** a. 'These are those entrepreneurs who refuse to embrace opportunities that come their way. They are generally traditional and conventional in their approach'. The given lines are indicative of which entrepreneurs? **2**

b. 'They are commonly found in developed countries where opportunities and resources are in abundance and contribute towards building a modern capitalist economy'. Which type of entrepreneur is being discussed in the above lines?

**Ans.** a. Drone entrepreneurs are ones who refuse to embrace opportunities that come their way.  
b. Innovative entrepreneurs are commonly found in developed countries where opportunities and resources are in abundance.

**Q20** Attitude can be acquired from a number of sources. State any two such sources. **2**

**Ans.** Two sources from which attitude can be acquired are given below-  
(i) Direct personal experience. (ii) Group associations.

**Q21** Megha has just launched an e-portal to sell the handicrafts of the tribal people of Bastar. **2**  
(i) Which form of business has Megha launched?  
(ii) Explain its meaning.

**Ans.** (i) Megha has just ventured into e-business.  
(ii) E-business refers to carrying on business activities, both industrial and commercial through computer network, i.e. the internet.

**Q22** Release of the Bollywood movie 'Billu Barber' was opposed by certain segments of society, **2**  
as they thought that the name aims to derogate a specific community.  
(i) Which aspect of business environment is being discussed above?  
(ii) Why is it important for a business to systematically analyse and diagnose this environment?

**OR**

Due to the enforcement of Euro-IV emission norms, Maruti Limited had to phase out the production of 'Esteem' model of cars. Identify and state the dimension of environment highlighted in the given statement.

**Ans.** (i) Cultural environment.  
(ii) It is necessary for a business to analyse cultural environment as it helps to determine the products, services and standards of conduct that are acceptable to society.

**OR**

'Legal environment' is highlighted in the given statement. This environment refers to the framework of laws and various legislations within which business transactions take place.

**Q23** Give any two points of difference between the Traditional Market and Modern Markets. **2**

Traditional Market	Modern Market
1. It referred to the market as a place.	1. It referred the market as whole region where buyers and sellers are in contact with each other.
2. In traditional marketing, more importance is given on selling the product.	2. Its main motive is customer satisfaction.
3. Here, existing products are imposed on the market through aggressive selling and promotional pressures.	3. It understands the needs and desires of the customer and product is designed accordingly.

**Q24** What is operational cost? Give its classification. 2

**Ans.** Operational costs are incurred for carrying out the day-to-day operations of the business. They are further classified as- 1+1

(i) **Fixed Costs** These costs are not dependent upon the level of output. These costs an entrepreneur has to incur for starting a business and also as various administrative expenses.

(ii) **Variable Costs** These costs are those which vary with the total cost of the organization when output varies. These are related with the production of the product.

### Section C

**Q25** Mr. Vikram Singhal is a highly successful businessman, ranking among the top 10 industrialists of India. His company 'Singhal Group of Industries operates in the fields of fertilizers, power generation and 3G network. His son Virat Singhal, after completing his management degree from Oxford, decides to join the family business. Which type of entrepreneur is Virat? Explain other two types of entrepreneurs covered in this category. 3

**Ans.** Virat is a second generation entrepreneur. These entrepreneurs do not start an enterprise on their own. 1+1+1

Rather they join their family business which has already been started by their father.

Other two entrepreneurs covered in this category are-

**First Generation Entrepreneurs** These entrepreneurs start their own business with their innovative skills and expertise. They usually combine different technologies to produce some goods or services. e.g. Infosys started by Narayan Murthy.

**Third Generation Entrepreneurs** These are those types of entrepreneurs wherein their grandparents have been original entrepreneurs (first generation), which has been passed onto their fathers (second generation) and then to themselves. e.g. Tata Industries.

**Q26** The following information relates to a company, which produces a single product. 3

Direct labor per unit	₹22
Direct materials per unit	₹12
Variable overheads per unit	₹6
Fixed costs	₹4,00,000
Selling price per unit	₹60

Use the above figures to show that minimum number of units that must be sold for the

company to break-even.

**Ans.** Variable Cost per Unit = Direct Labor per Unit + Direct Material per Unit + Variable Overheads per Unit **1+1+1**  
= 22 + 12 + 6  
= ₹40 per unit

Selling price per unit = ₹60

∴ Gross margin per unit = 60 - 40 = 20

Fixed overheads = ₹4,00,000

Break-even Point = Fixed Overheads/ Gross Margin per Unit  
= 4,00,000/ 20  
= 20,000 units

**Q27** Briefly explain why social entrepreneurs are the need of hour? **3**

**Ans.** Social entrepreneurs are needed in a society because of the below mentioned reasons- **3**

**(i) They lead to Employment Development** The first major advantage of a social entrepreneur is that he/she creates jobs and employment opportunities in a society.

**(ii) They Develop New Goods and Services** Social entrepreneurs develop an environment conducive for the growth of innovation, thereby, leading to the development of new goods and services. e.g. Brazilian social entrepreneur Veronica Khosa developed a new home based care model for AIDS patients which later changed the government's health policy.

**(iii) They provide Social Capital** Social entrepreneurs provide the much needed capital for the development of society by channelizing the savings of the unorganized section of society.

**(iv) They promote Equity** Social entrepreneurs promote an equitable society by addressing social issues and trying to achieve ongoing sustainable impact through their social mission.

**Q28** Samar, an engineering graduate from Coimbatore began a unit to produce submersible pumps. He started the enterprise with enthusiasm, but when he faced some difficulties in the execution of their plans, he lost confidence and finally gave up the business venture. Identify the disadvantages of entrepreneurship which are faced by Samar in the above situation and explain them. **3**

**Ans.** Disadvantages of entrepreneurship that Samar may have faced are

**(i) Irregular Income** Starting-up an enterprise means that the person must be willing to give up the security of a regular source of income.

**(ii) Fewer Benefits** There will be undoubtedly fewer benefits, especially when a business has just been started.

**(iii) Work Schedule** One cannot predict the work schedule of an entrepreneur, an emergency can come up in a matter of a second and late hours may become the norm.

**(iv) Administration** In a business, all the decisions are required to be taken by the entrepreneur himself/ herself. There is no one ranked higher on the chain of command and the entrepreneur might feel himself/herself being burdened by the thought of making a wrong decision.

**Q29** Mr. Raman Sharma was working in MNC in Gujarat as a purchase manager and was fulfilling all the managerial activities in a company. At which level of management was he working? Mention other two managerial staff of the same level. **3**

**Ans.** Mr. Raman Sharma was working at middle level management.  
Other two managerial staff of middle level management include-  
(i) Executive officer  
(ii) Sales manager

### Section D

**Q30** Discuss the various types of resources needed by a business. **5**

**Ans.** Following resources are required by a business  
**(i) Physical Resources** These resources are those that are made by humans through their abilities and skills. The category of physical resources covers a wide range of operational resources concerned with the physical capability of the enterprise.  
**(ii) Human Resources** Human resources may be thought of as "The total knowledge, skills, creative abilities, talents and aptitudes of an organisation's workforce as well as, the values, attitudes and benefits of an individual involved".  
These are the most important assets that a firm must have and that the management must be most concerned with, because in the absence of these resources, other non-living resources are useless.  
**(iii) Finance Resources** Finance is one of the important pre-requisites to start an enterprise. It is the availability of finance that enables an entrepreneur to bring together personnel, machines, materials, methods, land and convert a dream into reality. It will not be incorrect to elucidate finance as 'lubricant to the process of production' or 'life blood of enterprise' or 'whoever has the gold makes the rule'.  
**(iv) Material Resources** Whether a business enterprise markets a product or a service, certain operations are essentially carried out combining raw material, processing and assembling machines, tools, power etc. A deep insight into the production is essential for effective utilization of resources.  
**(v) Intangible Resources** These resources are much ignored by the business enterprises. These resources are those which can neither be seen nor touched, but enables a business to continue to earn a profit that is in excess of the normal basic rate of profit earned by other business of similar type.

**Q31** Mani wants to start a textile unit near Gurgaon. **5**  
Discuss the commercial functions which she will require to plan and perform for the same.

**Ans.** Commercial functions that Mani should perform are as follows- (any four)  
**(i) Production** It refers to the creation of goods and services or it is the process of transforming raw materials into something useful. It consists of manufacturing, ancillary and advisory activities.  
**(ii) Finance** The second function that Mani has to perform is to arrange finance for the enterprise because any enterprise can go a long way only with appropriate availability of finance or money. So, she has to look for various opportunities to arrange for finance.

(iii) **Marketing** It plays a major role in an enterprise as through this process, goods and services are provided to the ultimate consumers for direct satisfaction of wants.

(iv) **Personnel** This is the function concerned with employment, development and compensation for the personnel and also the provision of working conditions and welfare measures.

(v) **Accounting** An entrepreneur should look in the record keeping of the entries of all transactions which takes place in the organization, so that she is aware of her financial position.

**Q32** State the main steps involved in Marketing Research.

5

**Ans.** Following are the main steps involved in Marketing Research:

**Step 1:** Defining the marketing problem to be tackled and identifying the marketing research problem involved in the task.

**Step 2:** Specifying the information requirement, i.e. preparing a list of the needed information.

**Step 3:** Developing the research design and research produce, i.e. determining whether such information is already available, either in records of the company or in outside sources.

**Step 4:** Information, i.e. select the research instrument to be used, select sample type and size.

**Step 5:** Analyzing the information and interpreting it in terms of the problem being tackled.

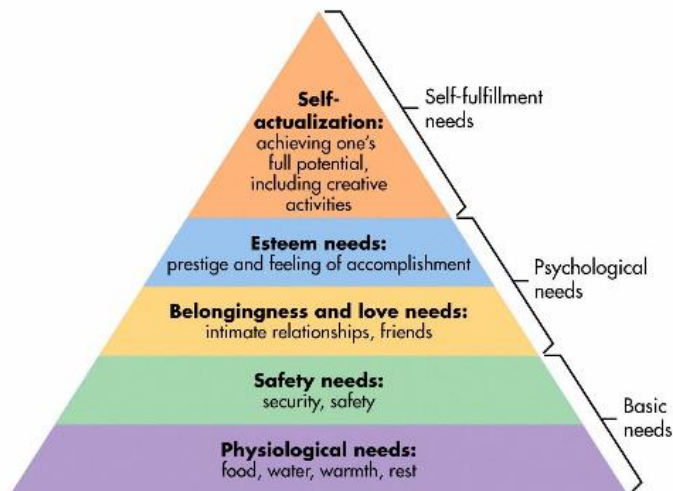
**Step 6:** Summarize the findings.

**Step 7:** Preparing the research report.

**Q33** Explain Maslow's Theory of Hierarchy of Needs.

5

**Ans.**



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**Q34** Saurav, a young and ambitious individual with a passion for technology, embarks on an entrepreneurial journey to establish his tech start-up, Saurav's Tech Solutions.

5

Saurav, having a background in computer science, identified his passion for developing innovative tech solutions. Through self-reflection, he assessed his strengths in programming and problem-solving, aligning them with potential entrepreneurial opportunities in the technology sector.

Recognizing the evolving tech landscape, Saurav identified gaps and challenges in existing solutions. He observed a growing need for user-friendly cyber-security tools, presenting a promising opportunity for his venture.

Drawing on his creativity and past experiences, he brainstormed ideas for a cutting-edge cyber-security tool. He evaluated each idea based on market needs, feasibility, and potential impact, ultimately selecting the most viable concept.

To transform his idea into a viable venture, he conducted extensive research and identified strategies to position Saurav's Tech Solutions in the competitive tech market.

(i) Identify the concept in the above paragraph.

(ii) List all the stages of the concept described in the above paragraph and discuss each one of them.

**Ans.** (i) The concept described in the narrative is the "Process of Entrepreneurship". Saurav's journey encompasses several key stages of entrepreneurial venture development, which can be broadly categorized and discussed as follows in the second pointer.

(ii) **Process of Entrepreneurship:**

**(a) Self-Discovery:** Saurav began his entrepreneurial journey by identifying his passion for technology and assessing his strengths in programming and problem-solving. This self-awareness is crucial for entrepreneurs, as it helps them leverage their skills effectively and choose a venture that aligns with their interests and competencies.

**(b) Identifying opportunities:** Recognizing the evolving landscape of technology and identifying gaps in existing solutions, Saurav pinpointed a growing need for user-friendly cyber-security tools. Opportunity recognition involves observing market trends, understanding customer needs, and identifying areas where current solutions are lacking.

**(c) Idea Generation and Evaluation:** Leveraging his creativity and past experiences, Saurav brainstormed various ideas for a cyber-security tool. He then evaluated these ideas based on market needs, feasibility, and potential impact, selecting the most viable concept.

**(d) Research and Planning:** To transform his selected idea into a viable business, Saurav conducted extensive research to identify necessary resources and outlined a detailed business plan. This plan included strategies for product development, market entry, financial management, and scaling the business.