

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

MARKING SCHEME

Section A

Q1 ASSERTION- REASON 1

Assertion (A): An entrepreneur is a person responsible for setting up a new business.

Reason (R): He/ She converts a situation into an opportunity.

- (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) He/ She is a catalytic agent of change and puts up new green field projects that create wealth, opens up many employment opportunities and leads to the growth of other sectors.

Q2 The first step in the process of entrepreneurship is _____. 1

- (a) self-discovery
- (b) identifying opportunities
- (c) evaluating ideas
- (d) generating ideas

Ans. (a) self-discovery

Q3 According to, "Business ethics are the study of business situations, activities and decisions where issues of right and wrong are addressed." 1

- (a) Andrew Crane
- (b) Johan Wempe
- (c) Bill Wagner
- (d) C Danhof

Ans. (a) Andrew Crane

Q4 A young boy, Arjun got a job in MNC located in Gujarat. After getting a job, his two basic requirements are salary and safe working environment. Which need of Arjun 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

- Q5 Vibhor wants to know the details related to products or services to be offered in the business in which he is planning to invest. Which part of business plan should he look into? (a) 1
General introduction
(b) Business venture
(c) Organizational plan
(d) Production plan

Ans. (b) Business venture 1

- Q6 Meena 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) None of the above

Ans. (a) Great ideas just appear out of nowhere

- Q7 **ASSERTION- REASON** 1
Assertion (A): Creativity and innovation are the distinguishing marks of the entrepreneur.
Reason (R): In an entrepreneur, creativity is combined with the ability to innovate, to take the idea and make it work in practice.
(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

- Q8 Google, Facebook and Twitter help the businesses to better understand what their customers need. These highlight the importance of _____. 1
(a) business intelligence
(b) cloud computing
(c) artificial intelligence
(d) social media

Ans. (d) social media 1

- Q9 Mr. Anil is working in a well-known company in New Delhi. He is responsible for providing assistance services such as book keeping, typing office support etc. He is a part of _____. 1
(a) managerial staff
(b) trained technical manpower
(c) administrative manpower

(d) professional manpower

Ans. (c) administrative manpower 1

Q10 "E-business is offering great opportunities to entrepreneurs in developing countries by helping them to enter the prosperous global markets merely at the click of the mouse." In the light of this statement, identify the benefits) that it provides to the entrepreneurs.
(a) Updated information
(b) Easy to launch new products
(c) Higher personnel cost
(d) Both (a) and (b)

Ans. (d) Both (a) and (b) 1

Q11 In which of the following plan form of ownership is mentioned?
(a) Marketing Plan
(b) Organizational Plan
(c) Business Plan
(d) Production Plan

Ans. (b) Organizational Plan 1

Q12 "An Entrepreneur visualizes that there are opportunities for a particular type of business and it can profitably run." Which of the following Promotional function of an Entrepreneur is highlighted in quoted lines?
(a) Detailed investigation
(b) Discovery of an Idea
(c) Assembling the Requirements
(d) Financing the Proposition

Ans. (b) Discovery of an Idea 1

Q13 Pankaj wanted to launch a ready-to-make range of mocktails. However, he was not sure about the market demand for such drinks in India. He decided to conduct marketing research to check the viability of his idea. The research instruments which can be used by him is/are _____.
(a) aggregate data analysis
(b) interviewing
(c) experimental research
(d) All of the above

Ans. (d) All of the above 1

Q14 _____ resources have unlimited potential for improvement and development.
(a) Physical
(b) Human
(c) Intangible
(d) Material

- Ans. (b) Human 1
- Q15 **ASSERTION- REASON** 1
Assertion (A): Unit of sale is a measure of what products are sold.
Reason (R): It is a unit used to bill a customer.
(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
- Q16 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
- Q17 Mr. Raj wants to buy a LCD for his family. When he visited Anand Electronics to make the purchase, he got confused. Which promotional tool brought him to the shop and which promotional tool is required now to remove his confusion? 1
(a) Advertising, personal selling
(b) Personal selling, advertising
(c) Sales promotion, personal selling
(d) Public relation, advertising
- Ans. (a) In this question, at first, his decision to buy a LCD was influenced by advertising. Later, his decision was influenced by personal selling in which he would be convinced to buy LCD. 1
- Q18 The first step in the resource mobilization plan is to _____. 1
(a) identify the type of resources
(b) evaluate and judge the need for resources
(c) locate the availability of resources
(d) arrange funds for acquisition of resources
- Ans. (b) evaluate and judge the need for resources 1

Section B

- Q19 Karan, a rural boy, identifies the potential of organic farming in the village. He meets the zonal agricultural officer, who, looking at the determination of this 20 years old boy, helps him to arrange and procure multiple resources required for his farm land. Then Karan takes a loan of ₹50,000 from SBI as his seed money of ₹10,000 is not enough to cater the requirement. Karan ties up with a nearby city's vegetable shop owner to sell his yield. His hard work pays and the organic vegetables are a hit. This organic vegetable producer exhibits to be a good entrepreneur with good entrepreneurial skills. Do you agree? Justify 2

giving reasons for your answer.

Ans. Yes, this statement is justified as he first identified the opportunity and took the risk of starting organic farming, arranged finance for his venture and worked hard. His organic vegetables were a hit. This indicates that his entrepreneurial venture had been successful and that his hard work has paid-off.

OR

Q 19 "Profit is the only motivational force behind every entrepreneur". Do you agree? 2

Ans. No, profit is not the only motivational force behind every entrepreneur. Yes, it is true that it plays a major role in every business and also profits are required for further growth. However, sometimes entrepreneurs work for social welfare also and not for profits only, especially in a socialist economy.

Q20 Mr. Subhash Bhalla is the owner of 'Anupam Coffee Plantations' in Darjeeling. To which category of entrepreneurs does he belong to? He uses organic methods of agriculture. 2

Ans. Mr. Subhash Bhalla is an agricultural entrepreneur. These entrepreneurs undertake agricultural and allied activities as an area of business. They engage themselves in growing and marketing different crops, fertilisers and other inputs of agriculture by employing new and modern techniques, machines, good quality seeds and irrigation facilities.

Q21 Akshay wants to start a business after completing his studies. However, he does not have any business idea. He thinks that a great idea related to a business venture will appear out of nowhere. Is Akshay justified in his thinking? Discuss. 2

Ans. No, Akshay is not justified in his thinking. He believes in a common misconception related to a business idea, that great business ideas appear out of nowhere. However, the reality is that the idea generators develop a business idea in a structured and systematic way.

Q22 Dr. Abraham M. George, is the founder of the George foundation. It was established in January, 1995 in Bangalore, India. Their mission is to work towards poverty eradication, promote environmental health and strengthen democratic institutions and values in developing countries. Dr. Abraham M George is totally different from Mr. Sanders, founder of KFC. Mention two difference between two types of entrepreneurs discussed above. 2

Ans. In the given case, Dr. George is social entrepreneur while Mr. Sanders is a normal entrepreneur. Following are the points of difference between the two-

- (i) In entrepreneurship, an entrepreneur participates in entrepreneurial venture with the aim of earning profit, but a social entrepreneur participates in business ventures only to use the profits generated to create valuable social programmes for the whole society.
- (ii) Entrepreneur works for self-development, but social entrepreneur works for societal development.

Q23 Sehgal has just launched an e-portal to sell the handicrafts of the tribal people of Bastar. 2
(i) Which form of business has Sehgal launched?
(ii) Explain its meaning.

Ans. (i) Sehgal 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.

Q24 Teach-one' is a firm providing home tutors, who are expert in their respective subjects. It also provides online teaching services for students of remote areas. 2
(i) What would be the unit of sale for the firm?
(ii) If Teach-one' firm starts consultancy services, then what would be its unit of sale?

Ans. (i) The unit of sale for Teach-one' will be 'per hour'. 1+1
(ii) In case of consultancy services also, the unit of sale will be 'per hour'.

Section- C

Q25 "Entrepreneurs venture to take risks but some entrepreneurs are very shy and lazy by nature" Mention the name of such entrepreneurs and explain. 3

Ans. Such entrepreneurs are referred to as fabian entrepreneurs according to the classification given by Danhof. These are usually second generation entrepreneurs in a family business. They follow the footsteps of their predecessors and are unwilling to take risks or start a new venture. They initiate only when they are faced with a situation that will result in dwindling their relative share in the market. 1+1+1

Q26 Explain why one should become an entrepreneur by giving any three reasons. 3

Ans. One should become an entrepreneur or choose entrepreneurship due to the following reasons- 1+1+1
(i) **Confidentiality**- The sole proprietor is not legally compelled to publish his accounts or share his secrets with others. A proprietor has all the decision-making powers. As a result, confidentiality or secrecy can be maintained easily.
(ii) **Individual Profit Recipient**- All the profits which are earned from the business are to be enjoyed by the sole owner or proprietor himself/herself.
(iii) **Maintenance of Flexibility**- As all the decisions are taken by the proprietor himself, so quick and prompt actions will be possible which bring flexibility of operations and quick adaptability of business to the changing environment.

Q27 Explain the three Entrepreneurial functions of an Entrepreneur. 3

Ans. **Innovation**: It is the basic function of an entrepreneur. As an innovator, the entrepreneur has to introduce new combinations of the means of production, new product, new market for a product and new sources of raw material. They introduce something new in any branch of economic activity. He/she foresees a potentially profitable opportunity and tries to exploit it. 3

Example: I-Pod, Smart phones, Induction cook top etc.

Risk-taking: It refers to taking responsibility for a loss that may occur due to unforeseen contingencies in the future. An entrepreneur reduces uncertainty in his/her plan of investment, diversification of production and expansion of the enterprise. He/she is a self-confident and highly optimistic person, willing to assume the risks involved in innovations, new ventures and expansion of an existing venture.

Organization Building: Organization and management are the main functions of an entrepreneur. They refer to the bringing together of the various factors of production. The purpose is to allocate the productive resources in order to minimize losses and reduce costs in production. All decisions relating to an enterprise is taken by the entrepreneur. He/she alone determines the lines of business to expand and capital to employ. Thus, an entrepreneur is the final judge in the conduct of his/her business.

Q28 (i) Why attitude is called pervasive? 3
(ii) Explain any two features of attitude.

Ans. (i) They are formed in the process of socialisation and may relate to anything in the world. For example: A person may have positive and negative attitudes towards religion, politics, politicians or countries.

(ii) (a) **Affects behaviour:** People have a natural tendency to maintain consistency between attitude and behaviour. Attitudes can lead to intended behaviour if there is no external intervent.

(b) **It is invisible:** It constitutes a psychological phenomenon which cannot be directly observed. However, we may observe an attitude indirectly through observing its consequences. For example, if a person is highly productive, we may infer that he has a positive attitude towards his/her work.

Q29 "Attitude is not by birth, it is acquired". Explain. 3

Ans. Attitude is generally learnt or acquired over a period of time. The process of learning starts from childhood and continues throughout the life of an individual. The thoughts, feelings and tendencies to behave are acquired or learned gradually from the following sources-

(i) **Direct Personal Experience** The quality of a person's direct experience with the attitude object determines his/her attitude towards it.

(ii) **Group Associations** People are influenced to one degree or another by other members of the group to which they belong.

(iii) **Influential Others** A consumer's attitude can be formed and changed through personal contact with influential persons.

Section D

Q30 Explain any six myths of Entrepreneurship. 5

Ans. 1. **Starting a business is easy-** Actually it is not. Most people, who begin the process of

starting a company, fail to get one up and running. Seven years after beginning the process of starting a business, only one-third of entrepreneurs have a new company with positive cash flow greater than the salary and expenses of the owner for more than three consecutive months. But small entrepreneurships are comparatively easier to start.

2. It takes a lot of money to finance a new business- The typical start-up only requires about Rs.1,50,000/- to get going. The successful entrepreneurs, who don't believe the myth, design their businesses to work with little cash. They rent instead of buying. And they turn fixed costs into variable costs by, say, paying people commissions instead of salaries for example; Infosys was started with only Rs. 10,000/-.

3. Start-ups can't be financed with debt- Actually, debt is more common than equity. A lot of entrepreneurs use debt rather than equity to fund their companies. However, the composition of debt and equity will have to be worked upon.

4. Banks don't lend money to start-ups- This is another myth. Banks and various government schemes have been implemented with the idea of providing finance to budding entrepreneurs.

5. Most entrepreneurs start businesses in attractive industries- Most entrepreneurs head right for different industries for start-ups. The correlation between the number of entrepreneurs starting businesses in an industry and the number of companies failing in the industry is 0.77. That means that most entrepreneurs are picking industries in which they are most likely to fail. Mahima Mehra started Hathi Chaap. It was totally a new venture where different raw materials were tried out to make handmade paper. After researching a lot, they found that elephant dung had more fibre content which made it easy to make handmade paper.

6. The growth of a start-up depends more on an entrepreneur's talent than on the business he chooses-This is not true as the industry that an entrepreneur chooses to work has a huge effect on the odds that it will grow. For instance, various dotcom companies mushroomed all over the world during the Y2K problem in the year 2000.

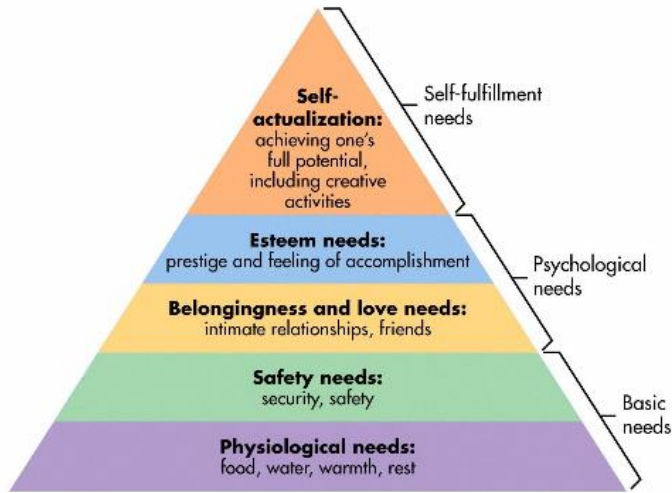
7. Most enterprises are successful financially- This is also another myth. Entrepreneurship creates a lot of wealth, but it is very unevenly distributed. The typical profit of an owner-managed business is Rs.2, 40,000 per year. Only the top ten percent of entrepreneurs earn more money than employees. And, the typical entrepreneur earns less money than he/she otherwise would have earned, working for someone else.

OR

Q30 Explain Maslow's Theory of Hierarchy of Needs.

5

Ans.



NCERT Page No.- 35 and 36

Q31 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.

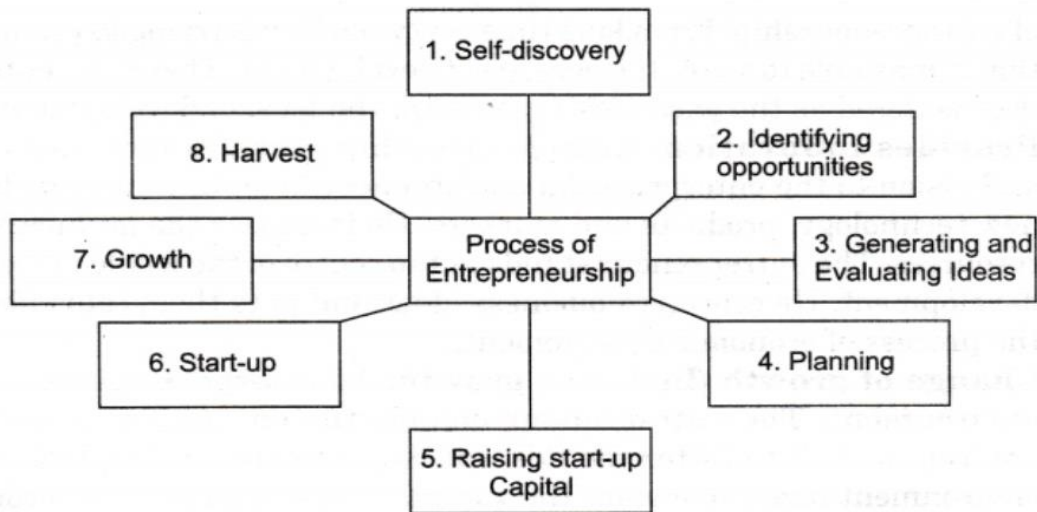
Step 7: Preparing the research report.

Q32. Describe the process of entrepreneurship.

5

Ans. **Process of Entrepreneurship can be seen in the following way:**

Enterprises are as different and unique as the entrepreneurs who create them, most of them appear to work through a process. The diagram given below describes the process through which most of them create their enterprise:



Self-discovery: Entrepreneur enjoys doing different things and learn out of it. Examine their strengths and weaknesses. Understand his abilities, talent, knowledge and feelings relating it to potential opportunities.

Identifying opportunities: Entrepreneur see for needs, wants, problems, challenges and craft opportunities that other people miss or that are not yet being met and convert it into different forms effectively.

Generating and evaluating ideas: He uses his creativity, conscious endeavor and past experience to collect ideas from different sources and find out a creative and innovative solution and ends as a creative venture.

Planning: Making a written business plan including requirement of financial resources, human resources, technical resources, material resources according to size of business, prepares applicable marketing strategies and turn the idea into a viable venture.

Raising Start-up capital: Using the business plan to attract investors, venture capitalists and partners. This stage can involve producing prototypes or test-marketing services.

Start-Up: Entrepreneurs launch the venture as per the requirement, need, taste and preferences of a customer, and keep a margin of flexibility in marketing strategy and operational plans as required.

Growth: Time to time scanning of environment, making sure of constant flow of ideas, by adapting to new, different strategies, different economic policies, changing technology, innovation diversification facilitate growth and expansion.

Harvest: Harvesting is the final phase in the entrepreneurial value creation, process were the owners can simply sell the business and reap the value of their investment in the firm and harvesting the rewards.

Q33 Discuss the various types of resources needed by a business.

5

Following resources are required by a business-

Ans. (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 organization'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.

Q34 The following information relates to a company, which produces a single product. 5
 Direct labor per unit= ₹22
 Direct material per unit= ₹12
 Variable overheads per unit= ₹6
 Fixed costs= ₹4,00,000
 Selling price per unit= ₹60
 Use the figures above to show the minimum number of units that must be sold for the company to break-even. Also calculate the break- even point in rupees.

Ans.

Fixed Cost	4,00,000	
Variable cost per unit	Direct labour per unit + Direct materials per unit + Variable overheads per unit	
	₹ 22 + ₹ 12 + ₹ 6 = ₹ 40 per unit.	
Selling Price per unit :	₹ 60 per unit	
Break-even Point (in Units)	$= \frac{4,00,000}{60 - 40} = \frac{4,00,000}{20} = 20,000 \text{ units}$	
Break-even Point (in ₹)	₹ 20,000 × 60 = ₹ 12,00,000.	