



B.K. BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS
A CBSE DAY-CUM-BOYS' RESIDENTIAL SCHOOL

ANNUAL EXAMINATION (2025-26) ENTREPRENEURSHIP (066) (SET -A)

Class: **XI**

Date: 23/02/2026

Admission No: _____

Marking Scheme

Duration: **3Hrs**

Max. Marks: **70**

Roll No.: _____

Section A

A1.	(a) Risk taking	1
A2.	(d) Industrial	1
A3.	(B) c,a,d,b	1
A4.	a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)	1
A5.	a) Mohamed Yunus	1
A6.	Sales Promotion.	1
A7.	c) Government Policies	1
A8.	d) Zero level channel.	1
A9.	3) Technological environment	1
A10.	b) Public relation	1
A11.	1) a- 2, b-4, c-1, d-3, e-5	1
A12.	Fixed cost	1
A13.	a) Unit sales + Unit cost	1
A14.	c, a, d, b.	1
A15.	a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).	1

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|------|---------------------------------|---|
| A16 | a) Both the statements are true | 1 |
| A17. | (b) 270 | 1 |
| A18. | b) Variable cost | 1 |

Section B

- A19. An entrepreneur should possess the following following entrepreneurial functions. 2
- 1.**Innovation:**
 - 2.**Risk-Taking:**
 - a.production
 - b.investment
 - c.expansion of the enterprise
 - 3.**Building of Organization:** The entrepreneur should have enough organizing and managing skills to utilize the resources with minimum loss and bring down the production costs. Being the sole decision maker for the enterprise, the entrepreneur should be able to make decision regarding which parts of the business need to expanded and where the investment should go to.

OR

In the developing countries like India, Entrepreneurship plays significant role in the Economic Development of a country. In India, after the Government has make economic reforms in the economy, the role of entrepreneurs has increased considerably. The more the number of innovative entrepreneurs, the better is the rate of economic development in the country. This is the reason why the growth rate has been slower before the economic reforms and the growth rate has increased after the economic reforms.

- 1.**Life-line of any country:**
- 2.**Source of Innovation:**
- 3.**Growth Spirit :**
- 4.**Increased profit margins:**
- 5.**More Jobs:**
- 6.**Social Gain:**

- A20. i) Creativity. ii) Brainstorming: A group of persons sit together and generate a number of business ideas by innovating alternative ways of meeting the needs and solving problems. It is usually an unstructured discussion in which one idea leads to another. This is a very productive method for generating as many ideas as possible. 2

- A21. The type of competency reflected above is problem-solving. 2

Competencies are specific skills and strengths that an individual possesses. It is the defined behaviour that gives a structured guide enabling the identification and evaluation of behaviours in an individual.

Under problem-solving approach, an entrepreneur shall be prepared for problems that

are bound to come in the path of success of his newly set up venture. He searches and analyses different alternatives and chooses the best possible plan for solving a problem.

Such entrepreneurs take the risk of solving a problem which then results in greater returns.

A business entrepreneur Ratan Tata undertook a big effort involving risk related to his project. In the situation of facing uncertain complexities, he thought of an alternate plan and shifted the plant to another area, which shows that he inherits problem-solving competency.

A22.

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.

2

OR

- (a) E-business allows quick response to the queries/doubts of various categories of customers and other business houses, thus facilitating sales and customer satisfaction.
- (b) Provides not only the first hand but the latest information about the product related to price, discount, quality, features, range, etc. available to the consumers merely at the click of the mouse.
- (c) It has made it possible to make things available in those areas too where there are no markets around like rural areas.
- (d) Producers are having direct contact with the consumers, resulting in the reduction of middlemen and related cost. Prices have thus decreased.
- (e) Customers can get information and the goods online because of e-commerce, thus saving time, cost and energy.

A23.

Basis	Cost	Expenses
Meaning	A cost is a derived value of money consumed to produce a current or future outcome; hence, costs provide management a decision supporting view to improve business economics. Costs are expressed as a value measured in relationship to a causal volume of consumption.	Technically, an expense is a specific accounting event related to the outflow of cash. Expense simply records the event and is used to understand what happened from an accounting perspective.
	Costs are derived.	Expenses are incurred.

2

A24.

- The various factors involved in determining the resources required are:
- 1. The right type of resource selected by an entrepreneur and other related expert,
 - 2. Procurement should be at right time,
 - 3. All purchases of resources should be at right price with making right use of acquired resources and at last ensuring optimum and fuller utilization of the arranged

2

resources.

OR

(i) Today is an era of specialization. Competitive advantage can be realized only when businesses become more efficient in their operations and reduce the cost of their inefficiencies. Give the best to the society.

The need of an expert professional services realized by most of the successful organizations whether small or large in the following form:

(a) Entrepreneurs alone cannot do justice to all areas and aspect of business like – production, distribution, marketing, legal, researching, accounting, human resource or product development, etc.

(b) They do not have ample expertise, resources, time and energy in their hands to meet out the never ending requirements of the enterprise.

(c) Entrepreneurs always work on a strategic plan to accomplish functional goals in an efficient and effective way, they need expert professional services.

(d) In addition to their professional expertise, these are trusted business advisors, experts and connectors. They can be considered as the most important to entrepreneurs growing company and success.

Thus, either outsourcing or availing healthy mix of various professional services from outside the firm, has become a major trend in human resources, and entrepreneur started considering the need of expert professional services as a basic need for an entrepreneur.

Section C

A25. Yes, Shivi is an entrepreneur.

3

Shivi's one year occupational experience provides her confidence to start her own business.

Is converted her hobbies into reality by sheer hard-work and application of mind. Her desire to work independently and potential efforts, helped her to reduce the element of uncertainty.

Is innovative.

Understanding of the area/market in which she is going to start her business.

She is a creative entrepreneur as, she has taken initiative and created an opportunity for innovation, experimentation and production.

Her competitiveness which means willingness to compete honestly with others and providing quality product and services and reduction in price.

She is an innovator of ideas, products, practices, services to meet the perceived opportunity, a lot of effort has done by Shivi to convert her dream into reality

Is a moderate risk taker and works under uncertainty for achieving the goal.

Is a persuader of deviant pursuits.

Her vision, original idea, decision-making exhibit a sense of leadership.

Reflects a strong urge to be independent.

Persistently tries to do something better.

Is dissatisfied with routine activities.

Is prepared to withstand the hard life.

Exhibits a sense of leadership.

Takes personal responsibility. ,,

changing factors in the macro environment. This includes all developments from antibiotics and surgery to nuclear missiles and chemical weapons to automobiles and credit cards. Advances in technology have provided opportunities to new products, new ways of selling, new markets and new trends.

(d)**Political Forces:** The political environment covers all laws, government agencies, and groups that influence or limit other organizations and individuals within a territory. Market is run and regulated by these laws or restrictions. These are different for various places and varies from time to time. The fate of enterprises and markets depend upon the political conditions of the areas in which they are situated.

(e)**Natural Factors:** These include the natural resources that a company uses as inputs and affects their marketing activities. The ability to create a company's product is becoming a tough task for the enterpriser. Also, pollution, government intervention, etc. have effect on a company's reputation if they are known for damaging the environment.

(f)**Cultural Forces:** The cultural environment, which consists of institutions and basic values and beliefs of a group of people. The values can also be further categorized into core beliefs, which passed on from generation to generation and very difficult to change, and secondary beliefs, which tend to be easier to influence.

A29. **Idea evaluation is an important step in researching the venture's feasibility because of the following reasons:** **3**

Helps in deciding what is important: Idea evaluation forces the entrepreneur to decide what is important to the successful venture, which the entrepreneur is undertaking.

Helps to identify strengths and weaknesses of the idea: By evaluating the strengths and weakness of each idea, the entrepreneur identifies and assesses the strong and weak points. By this one gets information which helps to make a better decision.

Helps to make the best use of limited resources: It provides an idea about limited resources at disposal. Mostly entrepreneurs have limited resources in the form of money, time, people, etc. They can make sure that their choices make the best use of the available limited resources.

Helps to minimize risks while maximizing return: Every entrepreneur like to have the least uncertainty or risk while getting the return from entrepreneurial decisions and actions. An entrepreneur puts in the effort to evaluate potential of the venture undertaken for maximizing the possible returns.

OR

A business plan serves the following purposes:

Blue print: It provides a blueprint of actions to be taken by the firm in future.

Guidance: It guides the entrepreneur in raising and mobilising the factors of production.

Organisation: It serves as a guide to the entrepreneur in organizing and directing the activities of the entrepreneurial venture.

Progress: It helps in measuring the progress of the venture at various stages.

Communication: It communicates to investors, lenders, suppliers, etc. initiating the programmes of the business.

Section D

A30. The misconceptions about great idea are:

5

Great ideas just appear out of nowhere: It's not true as the best idea generators tend to do so in a structured systematic way. They don't wait for the things to happen.

There are no illogical ideas: The reality is that, many ideas may not be very good, though to prevent others from feeling that their contribution are not valued; the belief is that, all ideas should be approached as worthy.

The customer will tell you what to do if you will only listen: Although customers can help identify unmet needs, they require more involvements in making a great idea workable than simply listening to the customers.

We can generate all the ideas we will ever need if we sit down at a meeting: Generating great ideas is not restricted to a meeting but are best shaped through an ongoing dialogue.

Great ideas aren't the problem; implementing them is: The reality is that, problems with implementation arise from not screening carefully enough, the ideas that are generated.

OR

The different structured approaches adopted to generate ideas are:

Environment Scanning: It means the screening of a large amounts of information to detect emerging changes or trends. Information is scanned from news magazines, reviews, government and consumer publications, trade publications, commercials, etc. Lot of effort is put in but in the end it is energy well spent.

Creativity and Creative Problem Solving: Creativity is the ability to combine ideas in a unique way or to make unusual associations between the ideas. It involves cross thinking by seeing new angles, connections and approaches. The role of creativity and creative problem solving for generating ideas is that a number of specific creative approaches can be used. For example attribute listing, free association, etc.

Brainstorming: Here a group of persons sit together and generate a number of business ideas by innovating alternative ways of meeting the needs and solving problems. A number of ideas are discussed and finally a concrete idea is the end result.

Focus Groups: In this way if generating idea the groups of individuals provide information about proposed commodity (good or service) in a structured setting. Here a moderator focuses the group discussion or issues are being examined. Such group can provide an excellent way to generate new ideas and to screen proposed ideas and concepts.

Market Research: This is a method of gathering information about products/services that already exist in the market. Demand supply position for a particular product or service is studied in the market and based on it new ideas for products and services are obtained.

A31. **Motivational:** 5

Certain shortcomings in the motivational aspect act as barriers to entrepreneurship. Many entrepreneurs after starting a new venture faces obstacles in the initial stages, they tend to lose their commitment and consequently their level of motivation dips.

Lack of tolerance, toughness and perseverance often quit.

Lack of sustained motivation.

Perceptual:

There are certain perception barriers that can hamper the progress of an entrepreneur. Lack of a clear vision and misunderstanding a situation can result in faulty perception.

All entrepreneurial venture involves some amount of risk taking, however not analysing perception of the risk and the strategy to manage could hamper the growth of an entrepreneur.

If the entrepreneur demands everything to be clear and well-defined in order to develop a perception, it will lead to disappointment.

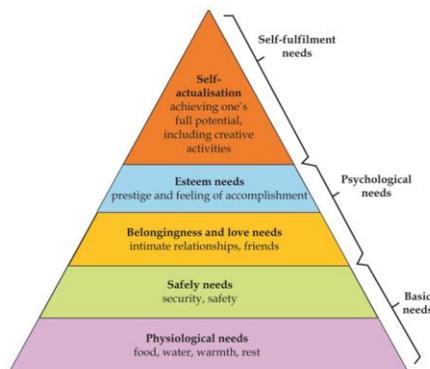
An entrepreneur's world is basically disorderly and ambiguous, and the entrepreneur should learn to cope with inevitable uncertainties that crop up.

People who excessively depend on order will find it a barrier to entrepreneurship.

They should have a high level of intolerance for ambiguity and chaos because they are breakers of status-quo.

A32. Explain Maslow's Hierarchy of Needs Theory. 5

Ans:



Maslow's Hierarchy of Needs Theory is regarded as one of the most popular theories on motivation. It is a theory of psychology that explains that humans are highly motivated in order to fulfill their needs, which is based on hierarchical order.

Levels of Hierarchy

The levels of hierarchy in Maslow's need hierarchy theory appear in the shape of a pyramid, where the most basic need is placed at the bottom while the most advanced level of hierarchy is at the top of the pyramid.

Maslow was of the view that a person can only move to the subsequent level only after fulfilling the needs of the current level. The needs at the bottom of the pyramid are those which are very basic and the most complex needs are placed on the top of the pyramid.

1. **Physiological needs:** The physiological needs are regarded as the most basic of the

needs that humans have. These are needs that are very crucial for our survival. The examples of physiological needs are food, shelter, warmth, health, homeostasis and water, etc.

In addition to all the above needs, Abraham Maslow also included sexual reproduction as one of the most common needs as it is essential for the survival of the species.

2. Safety Needs: Once the basic needs of food, shelter, water, etc are fulfilled, there is an innate desire to move to the next level. The next level is known as the safety needs. Here the primary concern of the individual is related to safety and security. Safety and security can be regarding many things like a stable source of income that provides financial security, personal security from any kind of unnatural events, attacks by animals and emotional security and physical safety which is safety to health.

The various actions taken by an individual in ensuring safety and security are finding a job, getting an insurance policy, choosing a secure neighborhood for staying with family, etc.

3. Social Needs (Also known as Love and Belonging Needs): This is the third level in the need hierarchy theory. It is that stage where an individual having fulfilled his physiological needs as well as safety needs seeks acceptance from others in the form of love, belongingness.

In this stage, human behaviour is driven by emotions and the need for making emotional relationships is dominant here.

The following examples can satisfy this need:

1. Friendship
2. Family
3. Intimacy
4. Social Groups

When an individual is deprived of the above needs, he/she feels lonely and depressed.

4. Esteem needs: This is considered as the fourth level of the hierarchy of needs theory. It is related to the need for a person to be recognized in society. It deals with getting recognition, and self-respect in society.

The need for recognition and acceptance arises when a person has fulfilled their need for love and belongingness.

In addition to recognition from others, there is a need for the person to develop self-esteem and personal worth.

5. Self-actualization needs: This is the final level of the theory of hierarchy of needs as proposed by Maslow. It is the highest level of needs and is known as the self-actualization need. It relates to the need of an individual to attain or realise the full potential of their ability or potential.

At this stage, all individuals try to become the best version of themselves. In other words, self-actualisation is the journey of personal growth and development.

OR

Explain McClelland's Theory of Needs.

Ans: According to David McClelland, regardless of culture or gender, people are driven by three motives:

Achievement

Affiliation

Power

Since McClelland's first experiments, over 1,000 studies relevant to achievement motivation have been conducted. These studies strongly support the theory.

Achievement:

The need for achievement is characterized by the wish to take responsibility for finding solutions to problems, master complex tasks, set goals and get feedback on level of success.

Affiliation:

The need for affiliation is characterized by a desire to belong, an enjoyment of teamwork, a concern about interpersonal relationships, and a need to reduce uncertainty.

Power:

The need for power is characterized by a drive to control and influence others, a need to win arguments, and a need to persuade and prevail.

According to McClelland, the presence of these motives or drives in an individual indicates a predisposition to behave in certain ways. Therefore, from a manager's perspective, recognizing which need is dominant in any particular individual affects the way in which that person can be motivated.

People with achievement motives are motivated by standards of excellence, delineated roles and responsibilities, and concrete, timely feedback. Those with affiliation motives are motivated when they can accomplish things with people they know and trust. And the power motive is activated when people are allowed to have an impact, impress those in power, or beat competitors.

A33. **Following are the forces of Micro and Internal environment:**

5

Producer/Seller: The goals, objectives, policies, strategies, etc. of the organization are the foremost forces which govern the market. Successful companies are those that can recognize and respond profitably to unmet needs and trends in the society. Unmet needs always exist. "PERFORMING SELLERS" sustain and succeed in the market. Catering to social responsibility, if more is the number of producers, harder and healthier would be the competition. Ethics, values, principles, creativity, innovativeness of the seller helps in setting trends for market.

Customers: Consumer is the King instead of trying to market what is essential for us to make, we must find out much more about what the consumer is willing to buy. We must apply our creativity more intelligently to people, and their wants and needs, rather than products.

The most influential force which rules the market is the 'Consumer', consumer satisfaction is the foundation stone of a successful business.

Business has to produce goods according to the needs of the customers. But knowing customers is never simple.

Competitors: Competitors are such factors in the micro environment that provide

similar offerings for goods and services. To remain competitive, an enterprise must consider who their biggest competitors are. With LPG, the level of competition is no more local or national, but international. The company should develop a strategic advantage over their competitors else if it's otherwise the fate of the enterprise is doomed. Edmund Burke believes "An opponent is our helper".

Suppliers: Suppliers are another key component in the core system of Market. The company is essentially a resource — conversion machine that converts material, machines, labour and funds into useful products. The necessary resources are obtained from 5 suppliers. How well the company buys depends on how well it grasps the working of the various supply markets and how well it applies business principles in conducting its relations with suppliers. Lack or non-availability of suppliers can ruin the market for a product.

Marketing Intermediaries: Marketing intermediaries are institutions that facilitate the flow of goods and services between the company and its final markets. They include resellers (t.e. wholesalers, retailers, agents, and brokers), transporters, warehouses, banks and promoting agencies. These all institutions come into being to facilitate the work of consummating exchanges in the market. They perform a great deal of work in bringing about transactions between the buyers and sellers, market cannot survive without these intermediaries.

A34. (i) These resources are neither felt nor seen, far from being touched or preserved but helps immensely in providing a strong foothold to enterprise. 5

The intangible possession is a resource which 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.

This category generally comprises of:

(a) **Goodwill:** The difference between the value of the tangible assets of the business and the actual value of the business (what someone would be prepared to pay for it).

(b) **Reputation:** Though it is generally not present in case of new entrepreneurs. But if he is acquiring or entering into a partnership or some alliance, he may benefit from the goodwill of his associate, if any.

(c) **Brands:** It is a name given to a product in order to be recognized and differentiated from other similar products.

(d) **Intellectual Property:** Key commercial rights protected by patents and trademarks may be an important factor to be worked out by the entrepreneur.

*****ALL THE BEST*****