



# B.K. BIRLA CENTRE FOR EDUCATION

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












## PRE BOARD II 2025-26 ENTREPRENEURSHIP (066) Marking Scheme

Class: XII  
Date: 9.12.25  
Admission no:

Time: 3 hr  
Max Marks: 80  
Roll no

1.	(C) Assertion (A) is true, but Reason (R) is false.	(1)
2.	(B) Poor marketing strategies and declining sales OR (D) Growth of e-commerce, social media marketing	(1)
3.	(A) Both statement 1 and 2 are correct.	(1)
4.	(C) Deciding the price of the product OR (A) Cost and price of products	(1)
5.	(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).	(1)
6.	(B) Option (ii) and (iii)	(1)
7.	(D) Amount of Capital loan taken by each partner OR (C) Common Seal	(1)
8.	(B) Form and Place Utilities	(1)
9.	(D) Industrial design OR (A) Claims	(1)
10.	(A) Variable pricing	(1)
11.	(D) Franchising OR (A) Horizontal Merger	(1)
12.	(C) Option (i), (ii) and (iv)	(1)
13.	(A) Quick Service Restaurants	(1)
14.	(B) Financial organising	(1)
15.	(D) Option (i), (iii) and (iv)	(1)
16.	(C) Statement 1 is true but Statement 2 is false OR (A) <b>Both</b> Assertion (A) and Reason (R) are true, an (R) is the correct explanation of (A).	(1)
17.	(C) Fools	(1)
18.	(B) State Industrial Development Corporation	(1)

19.	<b>Need or Problem:</b> Lack of healthy, affordable meals for working professionals. <b>Target Market:</b> Office-goers in urban areas. <b>Innovative Idea:</b> Connecting home chefs with customers through a digital platform. <b>Feasibility:</b> Conducted surveys and found both demand (professionals) and supply (homemakers).			(2)																		
20.	i) Capital requirement is limited ii) Confidentiality / secrecy is important iii) Market is local iv) Goods are of artistic nature or demands customized approach v) Quick decision-making is necessary vi) Size of the venture is small.			(2)																		
21.	<b>Implied authority:</b> There is an implied authority that any partner can act on behalf of the firm. The firm stands bound by the acts of partners. <b>Mutual agency:</b> The business of partnership can be carried on by all the partners or any one of them acting for all. Thus, every partner is principal as well as agent of other partners and of the firm. Thus, (i) Each partner is liable for acts performed by other partners, (ii) Each partner can bind other partners and the firm by his acts done in the ordinary course of business. <b>OR</b> <b>Permanent Account Number (PAN)</b> is a ten-digit alphanumeric number, issued by the Income Tax Department. PAN enables the department to link all transactions of the —person   with the department. These transactions include tax payments, TDS/TCS credits, returns of income/wealth/ gift/FBT, specified transactions, correspondence, and so on. PAN, thus acts as an identifier for the —person   with the tax department. It is mandatory to quote PAN in all documents pertaining to financial transactions.			(2)																		
22.	Direct and Indirect channel of distribution is shown. The first one is a direct or channel or zero level of distribution,It is fast and economical channel of distribution. Under it, the producer or entrepreneur performs all the marketing activities himself and has full control on distribution, and the second one is two level channel it is generally used where the market of the product is widely scattered. <b>OR</b> Penetration pricing. i) It can result in fast diffusion and adoption. This can achieve high market rates quickly. ii) It can create goodwill among the early adopters segment. This can create more trade by word of mouth. iii) It creates cost control and cost reduction pressures from the start, leading to greater efficiency. iv) It discourages the entry of competitors. Low prices act as a barrier to entry			(2)																		
23.	<b>Product franchise business opportunity:</b> Manufacturers use the product franchise to govern how a retailer distributes their products. The manufacturer grants a store owner the authority to distribute goods by the manufacturer and allows the owner to use the name and trademark owned by the manufacturer. The store owner must pay a fee or purchase a minimum inventory of stock in return for these rights. Some tire stores are good examples of this type of franchise. <b>Manufacturing franchise opportunity:</b> These types of franchises provide an organization with the right to manufacture a product and sell it to the public, using the franchisor's name and trademark. This type of franchise is found most often in the food and beverage industry. Most bottlers of soft drinks receive a franchise from a company and must use its ingredients to produce, bottle and distribute the soft drinks.			(2)																		
24.	<table><tr><td>Number of customers</td><td>Per customer billed amount (Rs.)</td><td>Product</td></tr><tr><td>12</td><td>150</td><td>1800</td></tr><tr><td>10</td><td>200</td><td>2000</td></tr><tr><td>9</td><td>250</td><td>2250</td></tr><tr><td>7</td><td>400</td><td>2800</td></tr><tr><td>12</td><td>500</td><td>6000</td></tr></table>			Number of customers	Per customer billed amount (Rs.)	Product	12	150	1800	10	200	2000	9	250	2250	7	400	2800	12	500	6000	(2)
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	50		14,850												
	Unit Price = 14,850/50 = Rs.297														
25.	1) Only two members are required to form a private company. 2) Only two directors are required to constitute the quorum to validate the proceedings of the meetings. 3) Such company can file a statement in lieu of prospectus with the Registrar of Companies. 4) It can commence its business immediately after incorporation. 5) Holding of a statutory meeting or filing of a statutory report is required by a private company. 6) A non-member cannot inspect the copies of the profit and loss A/c filed with the Registrar. 7) Limit on payment of maximum managerial remuneration does not apply to a private company. 8) Restrictions on appointment and reappointment of managing director do not apply. 9) Maintaining of index of members is not required by a private company. 10) Directors of the private company need not have qualification shares.			(3)											
26.	<b>Elevator pitch:</b> 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. <b>A pitch deck with oral narrative :</b> 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. <b>A written presentation for external stakeholders:</b> A detailed, well written, and pleasingly formatted plan targeted at external stakeholders. <b>An internal operational plan:</b> A detailed plan describing planning details that are needed by management but may not be of interest to external stakeholders.  <b>OR</b> <b>It is</b> a tedious task as it involves a) Deciding what the general market or industry entrepreneur wishes to pursue is based, on market research or industry analysis done and complied with by competent people or the entrepreneurs. b) Divide the market into smaller groups based on: i) Consumer's characteristics: Geographic (State, Country etc.) ; Demographic (Sex, age, etc. Psychographics (Personality, life style, etc.) ii) Buying situations: Buying conditions (time available etc.); Usage ;Desired benefits (features of product) c) Select segment or segments to target. d) Develop a marketing plan integrating according to product, price, distribution, promotion.			(3)											
27.	<table><tr><th>Logo</th><th>Brand Name</th><th>Tagline</th></tr><tr><td></td><td>Pepsi</td><td>“Yehi hain right choice baby”</td></tr><tr><td></td><td>Bank of India :</td><td>Relationship Beyond Banking</td></tr><tr><td></td><td>Toyota</td><td>"Let's go places"</td></tr></table>	Logo	Brand Name	Tagline		Pepsi	“Yehi hain right choice baby”		Bank of India :	Relationship Beyond Banking		Toyota	"Let's go places"		(3)
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<b>OR</b> 'Logo' (Short for Logotype) is an identifying symbol for a product or business. It can be any distinctive design, mark, sign which stands associated with the entrepreneur's offering. 'Logo' is an important feature or															

	<p>part of branding. Thus, a logo is a graphic mark or emblem commonly used by commercial enterprises, organisations and even individuals to aid and promote instant public recognition.</p> <p>Logos are either purely graphic (symbols/icons) or are composed of the name of the organisation (a logotype or word mark).</p> <p><b>Purpose</b></p> <ol style="list-style-type: none"> <li>1) Logos are a critical aspect of business marketing. As the company's major graphical representation, a logo anchors company's brand.</li> <li>2) Corporate Logo is intended to be the "Identity" of an enterprise because of displaying graphically enterprise's uniqueness.</li> <li>3) Through a set colour combination, fonts, images, impression and/or pattern, logos provide essential information about a company that allows customers to relate with the enterprise's core brand.</li> <li>4) Logos act as the key visual component of an enterprise's overall brand identify.</li> <li>5) Enterprises normally resort to logos' as a short path for advertising and other marketing materials.</li> </ol>	
28.	<p>i) Synergy refers to the idea that the combined performance and value of two companies after a merger is greater than the sum of their individual performances. It results from shared resources, complementary strengths, and cost efficiencies.</p> <p>ii) Operational Synergy: NutriCore's R&amp;D combined with FitFuel's distribution network improved product development and market reach.</p> <p>Cost Synergy: The merger reduced overlapping expenses in marketing and research, leading to cost saving.</p>	(3)
29.	<p>i) Public Issue ii) Right Issue iii) Private Placement iv) Offer to Employees</p> <p><b>Public issue</b> is the most popular method of raising capital these days by the entrepreneurs. This involves rising of funds directly from the public through the issue of prospectus. An enterprise organizing itself as a public limited company can raise the required funds commonly by preparing a prospectus.</p> <p><b>Rights issue</b> is a method of raising additional finance from existing shareholders by offering securities to them on pro-rata basis i.e. giving them a right to a certain number of shares in proportion to the shares they are holding.</p> <p><b>Private placement</b> means the direct sale by a company of its securities to a limited number of sophisticated investors. Entrepreneurs, herein, raise funds by selling the issues mainly to the institutional investors like: i) Unit Trust of India Life Insurance Corporation of India ; General Insurance Corporation of India ; Army Group Insurance ; State Level Financial Corporations, etc.</p> <p><b>Stock options or offering shares</b> to the employees has gained much popularity in many countries of the world. This method enables employees to become shareholders and share the profits of the company leading to: a) Higher efficiency b) Low labour turnover c) Better industrial locations d) Low floatation cost e) Wider/higher generation of funds.</p> <p>OR</p> <p>i) Close – The stock price at which it remains after the end of market timings or the final price of the stock when the market closes for a day.</p> <p>ii) Offer quantity – The total number of shares available for selling is called Offer Quantity.</p> <p>iii) Short selling – First selling and then buying only happens in day trading or future trading.</p>	(3)
30.	<p><b>Idea germination:</b> This is the seeding stage of a new idea. It is the stage where the entrepreneur recognises that an opportunity exists. The idea germination takes place according to interest, curiosity of the entrepreneur according to which opportunity is explored and exploited to its best potential. Creative idea germinates besides the interest, the need of a specific problem or area of study.</p> <p><b>Preparation:</b> An entrepreneur evaluates a need based on their idea, interest, and curiosity. This leads them to explore ways to implement the idea. If it involves launching a new product or service, market research is conducted. The initial curiosity evolves into a concrete idea, and the entrepreneur begins to envision its future potential.</p> <p><b>Incubation:</b> This is the transition period. The entrepreneur starts thinking about the idea and implementation in his sub-conscious.</p>	(5)

	<p><b>Illumination:</b> 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><b>Verification:</b> 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>	
31.	<p><b>Manpower</b> planning, also known as human resource planning, is the strategic process of ensuring an organization has the right number of people with the right skills at the right time to meet its goals.</p> <p>i) <b>What kind of people are required?</b> To carry on its work, each organisation needs personnel with the necessary qualifications, skills, knowledge, experience and aptitude for work. Thus, as the most basic thing, the entrepreneur must clearly state:</p> <p>(a) What kind/type of person is required to be hired for getting his work done?</p> <p>(b) As each person would have a different positions, duties and responsibilities, it becomes imperative for the entrepreneur to clearly workout a wide range of personnel ranging from managers, supervisors, administrators, engineers, technical, skilled and unskilled class.</p> <p>(c) Nature of business activity helps entrepreneur to a large extent in deciding the type of manpower required.</p> <p>ii) <b>How many people are required?</b> This question deals with the quantity of personnel the enterprise needs. The number of people required for various positions throughout the enterprise gets affected by:</p> <p>a) The total work to be done.</p> <p>b) How much work can an average person do in a specified period of time.</p> <p>c) Level of absenteeism expected; d) Rate of labour turnover; e) The present number of employees.</p> <p>f) The future plans for expansion and diversification.</p> <p>iii) <b>How to procure personnel?</b> As the next step in manpower planning, entrepreneur clearly mentions the strategies, methods, policies, rules and regulations pertaining to personnels: Recruitment; Selection; Training.</p> <p>Procurement of "right person, at right job, at right time" is the objective of human resource plan.</p>	(5)
32.	<p>a) <b>Product:</b> NutriBites – a healthy, baked, gluten-free, low-calorie snack made from natural ingredients.</p> <p><b>Price:</b> Slightly higher than regular snacks to reflect premium quality and health benefits.</p> <p><b>Place</b> (Distribution): Health food stores, online platforms, and fitness centers – targeting health-conscious consumers.</p> <p><b>Promotion:</b> Collaborations with fitness influencers, social media campaigns, and free sampling at gyms and yoga studios.</p> <p>b) <b>Pricing Strategy:</b> Riya priced NutriBites slightly higher to position it as a premium health product. This pricing strategy reflects the quality of ingredients and appeals to consumers who associate higher prices with better health benefits.</p> <p>c) <b>Distribution Channels:</b> Health food stores, online platforms, and fitness centers. This ensures that her product is available where her target audience—health-conscious individuals—frequently shops or visits.</p> <p>d) Organize health webinars or nutrition workshops in collaboration with dietitians and fitness experts.</p> <p>OR</p> <p>a) It's a type of advertising model which tries to Create Attention, Interest and Desire which leads to Action</p> <p>b) Answer: EcoSip captured attention through a powerful visual of a polluted beach and a provocative tagline "Still sipping from plastic?" which immediately draws the viewer's eye and triggers emotional engagement.</p> <p>c) Interest was generated by showcasing the bottle's stylish design and eco-friendly features through a short video. This helped the audience understand the product's uniqueness and relevance.</p> <p>d) Desire was built through testimonials from environmental activists and influencers, which added credibility and aspirational value. Viewers were encouraged to see the product as a way to contribute to a cleaner planet.</p>	(5)



	e) The action step was the limited-time offer: “Buy 1, Get 1 Free – Only This Week!” This created urgency and motivated immediate purchase.																																								
33.	<p>a) Ans: Sales Budget; Production Budget; Capital budget; Cash budget; Marketing budget and Master Budget</p> <p>b) Answer: The sales budget estimates expected revenue based on market demand and trends. It serves as the foundation for other budgets like production and cash budgets.</p> <p>c) Production Budget</p> <p>d) Yes, They found out that one machine was becoming obsolete and needed to be changed so they planned to replace the machine and prepared a budget for that too. Deep analysis of cash inflow and out flow leads to a preparation of another budget.</p> <p>e) Ans: Marketing budget was prepared to estimate of the funds needed for promotion, advertising and public relations in order to market the product as they now plans to expand their business and if possible even try to sell their products in other parts of the country</p> <p style="text-align: center;">OR</p> <table border="1"> <thead> <tr> <th>Particulars</th><th>XYZ Ltd.</th><th>ABC Ltd.</th></tr> </thead> <tbody> <tr> <td>Sales</td><td>12,00,000</td><td>15,00,000</td></tr> <tr> <td>Cost of Goods Sold</td><td>7,20,000</td><td>9,50,000</td></tr> <tr> <td>Gross Margin</td><td>(A) <b>4,80,000</b></td><td>(B) <b>5,50,000</b></td></tr> <tr> <td><b>Fixed Expenses</b></td><td></td><td></td></tr> <tr> <td>Wages and Salary</td><td>1,45,000</td><td>1,75,000</td></tr> <tr> <td>Rent</td><td>60,000</td><td>90,000</td></tr> <tr> <td>Depreciation</td><td>55,000</td><td>75,000</td></tr> <tr> <td>Interest</td><td>(C) <b>50,000</b></td><td>(D) <b>60,000</b></td></tr> <tr> <td>Total Fixed Expenses</td><td>(E) <b>3,10,000</b></td><td>(F) <b>4,00,000</b></td></tr> <tr> <td>Profit before Tax</td><td>(G) <b>1,70,000</b></td><td>(H) <b>1,50,000</b></td></tr> <tr> <td>Tax 25%</td><td>(I) <b>42,500</b></td><td>(J) <b>37,500</b></td></tr> <tr> <td>Profit after Tax</td><td>(M) <b>1,27,500</b></td><td>(N) <b>1,12,500</b></td></tr> </tbody> </table> <p>Return on Investment (ROI); Return on Equity (ROE)</p> <p>ROI = (Profit after Tax/Total Investment) X 100</p> <p>XYZ = (1,27,500/15,00,000) X 100 = <b>8.5 %</b></p> <p>ABC = (1,12,500/20,00,000) X 100 = <b>5.63%</b></p> <p>ROE = ((Profit after Tax/Owner's Fund) X 100</p> <p>XYX = (1,27,500/10,00,000) X 100=<b>12.75%</b></p> <p>ABC= (1,12,500/15,00,000) X 100 = <b>7.5%</b></p>	Particulars	XYZ Ltd.	ABC Ltd.	Sales	12,00,000	15,00,000	Cost of Goods Sold	7,20,000	9,50,000	Gross Margin	(A) <b>4,80,000</b>	(B) <b>5,50,000</b>	<b>Fixed Expenses</b>			Wages and Salary	1,45,000	1,75,000	Rent	60,000	90,000	Depreciation	55,000	75,000	Interest	(C) <b>50,000</b>	(D) <b>60,000</b>	Total Fixed Expenses	(E) <b>3,10,000</b>	(F) <b>4,00,000</b>	Profit before Tax	(G) <b>1,70,000</b>	(H) <b>1,50,000</b>	Tax 25%	(I) <b>42,500</b>	(J) <b>37,500</b>	Profit after Tax	(M) <b>1,27,500</b>	(N) <b>1,12,500</b>	(5)
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34.	<p>From the viewpoint of investors</p> <p>(a) Dissemination of useful information: Stock exchange publishes useful information regarding price lists, quotations, etc., of securities through newspapers and journals. The interested persons buy and sell their securities on the basis of information provided by the stock exchanges.</p> <p>(b) Ready market: Persons desirous of converting their shares into cash may easily do so through a member of stock exchange.</p> <p>(c) Investors' interests protected: Stock exchanges formulate rules and regulations so that members may not exploit the investors.</p> <p>(d) Genuine guidance about the securities listed: The investors can safely depend upon the information provided by the stock exchanges.</p> <p>(e) Barriers of distance removed: Stock exchange removes the barriers of distance with regard to securities listed there. Without stock exchange the securities of a Delhi company may have a limited market in Delhi only.</p> <p>(f) Knowledge of profit or loss on investments: The investors can estimate the profit or loss on the total amount of investments in securities, by comparing the original amount invested and the price of securities on a particular day.</p>	(5)																																							