B.K. BIRLA CENTRE FOR EDUCATION

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

NABET

INDIAN PUBLIC SCHOOLS' CONFERENCE

PERIODIC TEST-1, 2026-27
ENTREPRENEURSHIP
MARKING SCHEME SET - 1

Class: XII | **Time: 1hr**
Date: 11.06.2026 | **Max Marks: 25**
Admission no: | **Roll no:**

INSTRUCTION:

1. Please read the instructions carefully.
2. This Question Paper consists of 13 questions.
3. Attempt all questions.
4. Marks allotted are mentioned against each question/part

1. **STATEMENT I:** Environment scanning is only useful during the initial stage of business planning.
STATEMENT II: Entrepreneurs must monitor changes in the external environment regularly.
Choose the correct option from the following: **(1)**
(a) Statement I is true and II is false
(b) **Statement II is true and I is false**
(c) Both the statements are true
(d) Both the statements are false

2. The process of sensing needs and wants of people and discovering new markets to serve them is known as: **(1)**
(A) Business planning (B) Market assessment **(C) Opportunity identification** (D) Strategic planning

3. **Assertion [A]:** A problem is a road block in the situation that forces the entrepreneur to find its solutions. **(1)**
Reason [R]: One of the objectives of problem identification is to identify the target group facing the problem.
Options:
(a) Both Assertion [A] and reason [R] are true and Reason [R] is correct explanation of Assertion [A].
(b) Both Assertion [A] and Reason [R] are true and Reason [R] is not the correct explanation Of Assertion [A].
(c) Assertion [A] is true but Reason [R] is false.
(d) Assertion [A] is false but Reason [R] is true.

4. Cash flow statement shows: **(1)**
(a) Assets and liabilities **(b) Inflow and outflow of cash**
(c) Profit and loss only (d) Market demand

5. Ritesh Aggarwal is working as a CEO in a reputed company having head office in Bhubaneshwar. The company is following a dynamic approach and thus keeps launching innovative products in the market. He

knows that the shares of his company are not freely transferable. The company is also concerned about its employees and is offering them good working conditions along with other non-financial benefits. As the company was able to earn a good profit it has declared a dividend of 10% for its shareholders and transferred residual profits in reserve. Name the form of business mentioned in the above case. **(1)**
(a) Sole Proprietorship (b) Partnership **(c) Private Limited Compnay**
(d) Public Limited Company

6. According to the SWOT framework, "Emerging new markets" would be placed in which quadrant? **(1)**

(a) Strengths
(b) Weaknesses
(c**) Opportunities**
(d) Threats

7. Understanding lifestyle changes and attitude towards work and leisure, Fliozon India Ltd. started an online shopping portal offering same day delivery to its customers without any extra charge, on orders above Rs. 500. **(2)**
The company also installed an online payment security system where there is end-to end encryption of the banking details to the customer. Identify and state the two environmental factors discussed above.
Ans) Two environmental factors discussed here are:
1) **Social** – IT includes changes in lifestyle, fashion, etc.
2) **Technological** – Speed and technology transfer , focus on tech, spending of government and new discoveries, all comprises technological environment.

8. What is meant by 'problem identification'? State any two objectives and also give example of 'problem identification' **(2)**
Ans) When there is a road block in a situation which poses a conflict, then this road block is a problem and when this road block is identified then it is called 'problem identification'.
The two objective of problem identification are as follows:-
i. To identify the target group facing the problem.
ii. To find the market acceptability of the solution to the problem.
Eg:- most of the ready to cook meals are the results of the problem faced by the youths living by themselves to pursue their careers and studies and also due to the demand generated by nuclear families where females are also working.

9. What are the implication of the feature 'separate legal entity'? **(2)**
Ans) i. Members are not joint owners of assets of co. All assets belong to co.
ii. The co continues to exist even if all members die.
iii. co. can sue or be sued by its members, crs or third parties.

10. State the characteristics of partnership which over some the inherent limitations of sole partnership form of business organisations. **(2)**
Ans) i. Continuity – Continues until all partners desires. Legally a firm dissolves on retirement, death, bankruptcy, lunacy, disability or as per partnership deed.
ii. Utmost good faith – Mutual trust and confidence is the main strength of partnership. Every partners should act honestly and give proper accounts to other partners.

11. Why trend spotting important for the success of business? Explain any two ways in which an entrepreneur spots trends. **(3)**

Ans) Trend sporting means identification of new trends. It heps the entrepreneur to understand the market and provide service or produce goods accordingly to market trends. There are several professional trend spotters, but they charge huge sum of money.

i. The other two ways of trend spotting:

- Talk trends
- watch trends

12. Karim after completing his XII exam from his village school joined the course of electrician in an ITI in a town near his village. On completion of this course he tried for a government job but could not get the same. He, therefore decided to help as an worker to a renowned electrician in that area. After working with him for two years he decided to start his own electrician shop in the village. For this he purchased equipment for Rs.10,000 and hired a shop at a monthly rent of Rs.2000. He decided to manage the shop by himself. **(3)**

(a) Identify the form of business organisation started by 'Karim'.

(b) State any four characteristics of such a form of business organisation.

Ans) (a) Sole proprietorship.

(b) (any four characteristics in statement form) Individual ownership; individual management and control; individual financing; no separate legal entity; unlimited liability; sole beneficiary; easy formation and closure; limited area of operation.

13. Define organizational plan. A business can be classified in how many categories? (**5)**

Ams) Organisational plan is part of business plan that describes the proposed venture form of ownership i.e whether it is –

-sole proprietorship

- - Partnership
- Joint stock company
- Joint Hindu family
- Co-operative organisations

The co. having whichever form of ownership, can be categorized as :

- Manufacturing business
- Wholesale business
- Retail business
- Service business

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