B.K. BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS

A CBSE DAY-CUM-BOYS' RESIDENTIAL SCHOOL

TERM I EXAMINATION, 2025-26
ENTREPRENEURSHIP (066)
Marking Scheme

Class: XII | **Time: 3 Hrs**

Date: 10.09.25 | **Max Marks: 80**

Admission no: | **Roll no**

1.	(C) Only (i) and (iii)	**(1)**
2.	(D) Business Opportunity OR (B) Both statement 1 and 2 are incorrect	**(1)**
3.	(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).	**(1)**
4.	(D) 1912 OR (A) Both statement 1 and 2 are correct	**(1)**
5.	(D) Human Resource Planning	**(1)**
6.	(B) 10 digit alphanumeric number	**(1)**
7.	(C) Brand mark	**(1)**
8.	(A) Physical movement of goods	**(1)**
9.	(A) Above the line	**(1)**
10.	(D) Confirmation to requirement	**(1)**
11.	(D) Assertion (A) is false, but Reason (R) is true	**(1)**
12.	(C) Replace old machine with latest ones OR (B) Royalty	**(1)**
13.	(B) Conglomerate	**(1)**
14.	(B) Michael Porter	**(1)**
15.	(B) Option i) , ii) and iv	**(1)**
16.	(D) Lead time	**(1)**
17.	(A) Break Even Point	**(1)**
18.	(C) Financial control	**(1)**
19.	Problems; Change; Inventions; Competitions	**(2)**
20.	i) Bring out new product in the market ii) Understand the problems and needs of the market. iii) Motivate entrepreneur to be creative and innovative iv) Increase employment generation	**(2)**

	v) Increase National Income	
21.	Single Ownership; Unlimited Liability; One-man control; Small size **OR** i) Partnership ii) Yes, if both partners agree iii) Indian Partnership Act 1932. iv) Unlimited Liability	**(2)**
22.	i) Useful for marketing of the product, it makes company's brand more popular. ii) help in identifying the essential information about the company by the use of signs, picture, words and colours. iii) It's a very quick and short form of advertisement. iv) Logo are visual identity of the enterprises.	**(2)**
23.	Hostile Takeover: It is a forced acquisition. The smaller company is brought to such a situation that it has no option but to say yes to acquisition.	**(2)**
24.	i) Determine item to be stocked ii) Determine when and how much to be stocked and replenished. iii) Keep correct record. iv) Weed out obsolete items.	**(2)**
25.	i) Used for vgetting finance from banks or equity funding ii) Attract business partners to make alliance. iii) Help the director to make capital investment decisions. iv) Evaluation of all the elements of business. v) Communicate line of action of the organisation.	**(3)**
26.	As per the companies Act a company which is not a private company is a public company. It has minimum 7 members and has no maximum limit. A shareholder can freely transfer his share in such a company. A public company can invite general public to subscribe in its shares. The name of a Public company must end with the word Ltd. They are further classified as i) Company limited by Guarantee ii) Company limited by Shares.	**(3)**
27.	i) Gillette : "The Best a Man Can Get" ii) Burger King: "Have it your way" iii) VISA: "Everywhere you want to be" iv) Frooti: Fresh N Juicy v) Maggi: Taste Bhi, Health Bhi vi) ICICI Bank: Khayal Apka **OR** Mahindra and Mahindra — Live young , Live free Punjab National Bank — The name you can bank upon Airtel — Express Yourself	**(3)**
28.	Economic Order Quantity is the quantity of items which is most economical to order. At EOQ the total ordering cost and inventory carrying cost would be minimum. It is calculated by using a formula which is = Square root of $\frac{\text{2 Annual Usage of units X Cost of placing order}}{\text{Price of Material Per unit X Cost of Storage}}$	**(3)**
29.	ROE = $\frac{\text{PAT – Preference dividend}}{\text{Shareholders Fund}}$ X 100 PAT = Net Profit – Tax = 2,40,000 – 96,000 = 1,44,000 Preference Dividend = 10% of 3,40,000 = 34,000 Shareholder Fund = Share capital + Reserve and Surplus 4,00,000 + 1,50,000 = 5,50,000	**(3)**

$\frac{1,10,000}{5,50,000} \times 100 = 20\%.$

30. **(5)**

i) He should choose a **Private Limited Company** because it offers **limited liability** to its shareholders and has a **separate legal entity** from its owners.
ii) **Unlimited liability**, meaning his personal assets could be at risk in case of business losses or debts. Also, it does **not have a separate legal entity.**
iii) a) Registration with the Registrar of Companies (ROC) under the Companies Act, 2013.
b) Obtaining a Certificate of Incorporation and applying for a Director Identification Number (DIN) and PAN (Permanent Account Number)
iv) GST and Shop and establishment licenses.
v) Organisational planning helps in **choosing the right form of business**, ensuring legal compliance, and providing a **clear structure** for decision-making, which is crucial for long-term success.

31. **(5)**

i) Specific: Set goal must be always specific and well defined. If a goal is well defined there is a high chance of it being achieved.
ii) Measurable: Measureable number are more accurate and concrete. If number are added to the goal to be achieved then its highly possible that it can be achieved.
Eg: Production of 200 pairs of shoes in one day. By adding number to the production it is creating an achievable target.
iii) Attainable: Setting too high goals is demoralising as it cannot be achieved on the other hand setting a too low goal is also bad as it does not bring out the full potential of the workers. So its very important to set a realistic and attainable goal, after taking into account various factors.
iv) Relevant: The goal must be relevant to the realities of market and related to your business.
v) Time based: All goal must be time based as it gives a more realistic view. Production must increase by 10 % in next year is a time bound goal.

OR

Ans: Place mix or Physical distribution mix talks about the distribution of goods or services.
Company Related Factors
i) Finance: If a company is financially well placed and has no problem of funds, they should prefer a direct sale on the other hand small firms and financially dependent firms should prefer indirect channels of distribution or intermediary.
ii) Degree of Control: If a firm or company wants to have full control on its goods or services then it should prefer a shot path or direct sale but if the firms do not mind sharing their control they can appoint various channels of distribution.
Market Related Factors
i) Nature of market: Industrial market direct sale Consumer market distribution channels are appointed.
ii) Size of market: If the number of consumer are very large then indirect channel is preferred while if the number of customers are small direct channel is used.
iii) Geographical concentration: If customer are scattered in different parts of the country or world indirect channel is recommended. On the other hand if the buyers are at a particular place and are concentrated then direct sale is recommended.
iv) Quantity Purchased: For bulk orders direct sale is preferred and for small units of sale retailers are better.

32. **(5)**

Basis	Advertising	Personal Selling
Form	Impersonal form of communication	Personal form of communication
Reach	It reaches masses	Only limited reach is possible
Cost	Cost per person is less	Cost per person is high
Coverage	Covers market on short time	Takes long time to cover market
Feedback	No direct feedback can be obtained	Direct feedback can be collected by salesman

33. **(5)**

Merger is a combination of two companies to form a new company, while an acquisition is the purchase of one company by the other in which no new company is formed.

In a merger the CEO of both the companies agree to form a new company and decide about their shareholding pattern, its management and other things.
In acquisition one company takes over the other company, the target company still remain but under the complete control of the acquirer.
Both these are external growth strategies and take place within a country or across borders.
There are several reasons for their failure.
i) Unrealistic price paid for the target: mostly the acquiring price is too much an that impacts the profitability of the company.
ii) Difficulties in cultural integration: If the merger or acquisition is between two countries of different countries there is a very big difference between their working pattern, attitude and style.
iii) Overstated synergies: Generally merger and acquisition are done to create synergies through increased revenue and reduced cost and improvement in investment. Over estimation of these factors leads to its failure.
iv) Integration difficulties:
v) Poor business fit:
vi) High leverage
vii) Boardroom Split

34. **(5)**

Units	600	900	1500
Sales Price	1,800	1,000	
variable Cost	1,440	700	
	Sports Shoes	Formal Shoes	
Sales	600 X 1,800 = 10,80,000	900 X 1,000 = 9,00,00	19,80,000
Variable Cost	600 X 1440 = 8,64,000	900 X 700 = 6,30,000	14,94,000
Contribution Margin	2,16,000	2,70,000	4,86,000

i) Weighted average contribution margin. = Total contribution/Total units
4,86,000/1500= Rs.324.

ii) Breakeven point = 5,83,200/324 = 1,800 units

iii) Sports shoes produced for break-even = 1,800 X 600/1500 = 720 units
Formal shoes produced for break-even = 1,800 X 900/1500 = 1,080 units

OR

Product	Price Per Unit (Rs.)	Quantity Sold (Numbers)	Total billed amount
Vest	100	25	2500
Half pants	300	10	3000
T. Shirts	400	15	6000
Shirts	800	6	4800
Jeans	900	12	10,800
Full Pants	1,500	2	3,000
Total		70	30,100

i) Unit price per customer = $\frac{\text{Total billed Amount}}{\text{Number of customers}} = \frac{30{,}100}{35} = 860$

ii) Unit cost per product = $\frac{\text{Total sale/ Total billed amount}}{\text{Number of units sold}} = \frac{30{,}100}{70} = 430$

iii) Gross Profit = Selling price per unit – Cost price per unit
Cost of each product was 60% of its selling price = 60% of 860 = 516