

Marking Scheme (2023-24)-1

Entrepreneurship

Class XII

Time- 3Hours

M.M.-60

General Instructions-

- The Question paper is divided into parts. There is no overall choice, though the internal choice is given in selected sections.
- Section A has 15 Objective questions carrying 1 mark each.
- Section B has 6 questions carrying 2 marks each. Answers may be with in 50 to 75 words
- Section C has 6 questions carrying 3 marks each answers may be about 100 words
- Section D has 3 questions carrying 5 marks each. Answer may be about 150 words.

Q.No.	Questions –Answer	Marks
Q.1	(b) increase	1
Q.2	(c) Price Skimming	1
Q.3	(b) Literary work	1
Q.4	(c) SEBI	1
Q.5	(c) Legal factor	1
Q.6	(a) How much to order	1
Q.7	Economic	1
Q.8	Strength, weakness, opportunity, threats	1
Q.9	Brand Name	1
Q.10	Franchising- Franchising is an agreement between franchisee and franchisor, where franchisor allows franchisee to sell or distribute the branded products in a specific geographical area of the franchisor in consideration of payment made by franchisee	1
Q.11	BEP- Break Even point is the point at which total cost and total revenue are equal.	1
Q.12	No, an Entrepreneur cannot sense opportunity without vision and creativity.	1
Q.13	(A)	1
Q.14	(B)	1
Q.15	(B)	1
Q.16	There are two types of opportunities 1. Existing opportunity- These opportunities already exist in the environment 2. Created Opportunity- Such opportunity are created according to fashion, technology and taste of customer. OR Environment Scanning- Environment Scanning means Carefully	2

	examining various factors prevailing in the environment. So scanning implies understanding the social, cultural, economic, political and legal factor.	
Q.17	Features of a good Business Plan- 1. Determine the direction of the company 2. Highlight the challenges in the path of business	2
Q.18	Methods of Negotiation:- 1 Integrative/Distributive Negotiation 2 Inductive/ Deductive/Mixed 3 Soft/ Hard Negotiation	2
Q.19	Merger- A merger is a combination of two companies to form a new company to increase the growth rate of the firm.	2
Q.20	<u>Gross working Capital</u> : This refers to the investment in all the current assets such as cash, bills receivables, and inventories etc. These current assets get converted into cash with in an accounting year. <u>Net working Capital</u> - this refers to excess of current asset over current liabilities. NWC capital can be positive or negative. OR <u>Angel Investor</u> :- Angel investors are wealthy investors who invest in entrepreneurial firms, usually during start up. They provide cash to young investors and take equity in return.	2
Q.21	<u>Stock Exchange</u> - The securities contract and regulation act defines a stock exchange as, “An organization or body of individuals, whether incorporated or not, established for the purpose of assisting, regulating and controlling of business in buying, selling and dealing in securities.	2
Q.22	<u>Name of Idea fields</u> - 1 Natural Resources 2 Existing products and services 3 Market drive and Demand drive ideas 4 Trading related ideas 5 Service Sector Idea (Explain any three)	3
Q.23	<u>Reasons For Making Business Plan</u> :- 1 Used for getting finance from banks or equity funding 2 Helps the director to to make capital investment decisions 3 Evaluation of all elements of business 4 Provide Standards 5 Present blue print of organization (Explain any 3 Point)	3
Q.24	<u>Tools of customer Relations</u> :- Following instruments make customer believe that your enterprise is taking care of customers: 1 Let customer know what you are doing for them. 2 Write to old customers	3

	<p>3 Remember special occasions  4 Feedback form  5. Install CRM Software (Customer Relation Management)  (Explain any three)</p>																	
Q.25	<p><u>Advantages of Franchising:-</u>  1 Established brand  2 Quality product  3 Advertisement  4 Financing  5 Training  6 Technological up gradation  (Explain any three)</p> <p style="text-align: center;">OR</p> <p><u>Type of Acquisition:-</u>  1 <u>Horizontal Integration:-</u> when different business units which are competing with each other with same plans and objectives join together, it is known as Horizontal- integration.  2 <u>Vertical Integration-</u> It is the combination or integration of successive stages of process of manufacturing units.  3 <u>Conglomerate-</u> Also known as mixed integration, it is combination of business units belonging to different industries and producing altogether different products.</p>	3																
Q.26	<p><u>Significance of ROI-</u>  1 This indicates how well management has used its assets.  2 ROI can be compared with the previous year's ROI to see the progress  3 It provides indications of productivity of the capital.  4 High ROI attracts more investors to invest in the firm.</p> <p style="text-align: center;">OR</p> <p><u>Features of Venture Capital:-</u>  1 Investments are made in those enterprises which are new and use new technology to produce new products, having an expectation of higher profits.  2 Generally, the Investments are in equity instruments.  3 Investor's return is taxed as capital gain.</p>	3																
Q.27	<p><u>Difference between Primary Market &amp; Secondary Market:-</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">SR. NO.</th> <th style="width: 15%;">Basis</th> <th style="width: 35%;">Primary Market</th> <th style="width: 40%;">Secondary Market</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Types of Securities</td> <td>There is Sale of new securities</td> <td>It is the market for existing or second hand securities</td> </tr> <tr> <td>2</td> <td>Issued by</td> <td>In primary market securities are directly issued by companies</td> <td>Securities are transferred between investors only</td> </tr> <tr> <td>3</td> <td>Entry</td> <td>All companies</td> <td>Only listed</td> </tr> </tbody> </table>	SR. NO.	Basis	Primary Market	Secondary Market	1.	Types of Securities	There is Sale of new securities	It is the market for existing or second hand securities	2	Issued by	In primary market securities are directly issued by companies	Securities are transferred between investors only	3	Entry	All companies	Only listed	5
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			enter the primary market to raise capital for there operations.	companies Securities are bought and sold in secondary market.	
Q.28	<u>Functions of SEBI:-</u> 1 Protective Functions (2) 2 Developmental Function (1 ½) 3 Regulatory Functions (1 ½) (Explain these Functions in Details) OR <u>Working Capital-</u> Working Capital refers to excess of current assets over current liabilities. <u>Factors affecting working Capital:-</u> 1 Length of operating cycle. 2 Nature of Business 3 Scale of operation 4 Business Cycle Fluctuation 5 Seasonal Factors 6 Technology and production cycle 7 Credit allowed 8 Operating Efficiency (Explain any five)				5
Q.29	<u>Reasons for failure of merger and Acquisitions:-</u> 1 Unrealistic price paid for target. 2 Difficulties in cultural integrations 3 Overstated synergies 4 Integration difficulties 5 Poor Business fit 6 Inadequate due diligence 7 High leverage (Explain any five) OR <u>Pricing-</u> Pricing refers to important decisions related to fixing of price of a commodity. These decisions can be related to price of competitors, decisions related to demand, decisions related to fixed cost etc. <u>Methods of Pricing:-</u> 1 Cost plus Pricing 2 Penetrating Pricing 3 Skimming or Creaming Pricing 4 Variable price method (Explain these points)				5
Q.30	<u>Marketing-Mix :-</u> Marketing mix refers to the ingredients or the tools or the variables which the marketer mixes in order to interact with a particulars market.				

<p><u>Element of Marketing Mix:-</u></p> <ol style="list-style-type: none"><li>1 Product</li><li>2 Price</li><li>3 Place/Physical Distribution</li><li>4 Promotion</li></ol> <p>(Explain these elements)</p> <p style="text-align: center;">OR</p> <p><u>Creativity-</u> Creativity is the ability to develop new ideas and to discover new ways of looking at a problem and opportunities. It refers to “thinking new things” or “doing things differently”</p> <p><u>Creativity Process:-</u></p> <ol style="list-style-type: none"><li>1 Analytical Planning</li><li>2 Resource organization</li><li>3 Implementation</li><li>4 Commercial application</li></ol> <p>(Explain these points in details)</p>	
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