

Marking Scheme
Strictly Confidential
(For Internal and Restricted use only)
Senior School Certificate Examination, 2024
SUBJECT NAME ENTREPRENEURSHIP(066)(Q.P. CODE 98)

General Instructions: -

1	You are aware that evaluation is the most important process in the actual and correct assessment of the candidates. A small mistake in evaluation may lead to serious problems which may affect the future of the candidates, education system and teaching profession. To avoid mistakes, it is requested that before starting evaluation, you must read and understand the spot evaluation guidelines carefully.
2	“Evaluation policy is a confidential policy as it is related to the confidentiality of the examinations conducted, Evaluation done and several other aspects. Its’ leakage to public in any manner could lead to derailment of the examination system and affect the life and future of millions of candidates. Sharing this policy/document to anyone, publishing in any magazine and printing in News Paper/Website etc may invite action under various rules of the Board and IPC.”
3	Evaluation is to be done as per instructions provided in the Marking Scheme. It should not be done according to one’s own interpretation or any other consideration. Marking Scheme should be strictly adhered to and religiously followed. However, while evaluating, answers which are based on latest information or knowledge and/or are innovative, they may be assessed for their correctness otherwise and due marks be awarded to them. In class-X, while evaluating two competency-based questions, please try to understand given answer and even if reply is not from marking scheme but correct competency is enumerated by the candidate, due marks should be awarded.
4	The Marking scheme carries only suggested value points for the answers These are in the nature of Guidelines only and do not constitute the complete answer. The students can have their own expression and if the expression is correct, the due marks should be awarded accordingly.
5	The Head-Examiner must go through the first five answer books evaluated by each evaluator on the first day, to ensure that evaluation has been carried out as per the instructions given in the Marking Scheme. If there is any variation, the same should be zero after deliberation and discussion. The remaining answer books meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.
6	Evaluators will mark() wherever answer is correct. For wrong answer CROSS ‘X’ be marked. Evaluators will not put right (✓)while evaluating which gives an impression that answer is correct and no marks are awarded. This is most common mistake which evaluators are committing.
7	If a question has parts, please award marks on the right-hand side for each part. Marks awarded for different parts of the question should then be totaled up and written in the left-hand margin and encircled. This may be followed strictly.
8	If a question does not have any parts, marks must be awarded in the left-hand margin and encircled. This may also be followed strictly.
9	If a student has attempted an extra question, answer of the question deserving more marks should be retained and the other answer scored out with a note “Extra Question” .
10	No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
11	A full scale of marks 70 has to be used. Please do not hesitate to award full marks if the answer deserves it.

12	Every examiner has to necessarily do evaluation work for full working hours i.e., 8 hours every day and evaluate 20 answer books per day in main subjects and 25 answer books per day in other subjects (Details are given in Spot Guidelines). This is in view of the reduced syllabus and number of questions in question paper.
13	<p>Ensure that you do not make the following common types of errors committed by the Examiner in the past:-</p> <ul style="list-style-type: none"> Leaving answer or part thereof unassessed in an answer book. Giving more marks for an answer than assigned to it. Wrong totaling of marks awarded on an answer. Wrong transfer of marks from the inside pages of the answer book to the title page. Wrong question wise totaling on the title page. Wrong totaling of marks of the two columns on the title page. Wrong grand total. Marks in words and figures not tallying/not same. Wrong transfer of marks from the answer book to online award list. Answers marked as correct, but marks not awarded. (Ensure that the right tick mark is correctly and clearly indicated. It should merely be a line. Same is with the X for incorrect answer.) Half or a part of answer marked correct and the rest as wrong, but no marks awarded.
14	While evaluating the answer books if the answer is found to be totally incorrect, it should be marked as cross (X) and awarded zero (0) Marks.
15	Any un assessed portion, non-carrying over of marks to the title page, or totaling error detected by the candidate shall damage the prestige of all the personnel engaged in the evaluation work as also of the Board. Hence, in order to uphold the prestige of all concerned, it is again reiterated that the instructions be followed meticulously and judiciously.
16	The Examiners should acquaint themselves with the guidelines given in the “ Guidelines for spot Evaluation ” before starting the actual evaluation.
17	Every Examiner shall also ensure that all the answers are evaluated, marks carried over to the title page, correctly totaled and written in figures and words.
18	The candidates are entitled to obtain photocopy of the Answer Book on request on payment of the prescribed processing fee. All Examiners/Additional Head Examiners/Head Examiners are once again reminded that they must ensure that evaluation is carried out strictly as per value points for each answer as given in the Marking Scheme.

Set 4

MARKING SCHEME ENTREPRENEURSHIP

A. No.	Answers	Marks
1	(B) Natural resources	1
2	(D) Tagline	1
3	(C) Private placement	1
4	(B) Hostile acquisition	1
5	(B) Size of the market being targeted	1
6	(A) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A).	1
7	(A) 600 Bales	1
8	(C) Assertion (A) is correct, but Reason (R) is incorrect.	1
9	(C) Gross Working Capital = Cash + Accounts Receivable + Inventory + Other Current Assets	1
10	(B) I and IV	1
11	(C) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A).	1
12	(B) Below the line	1
13	(D) Offer to Employees	1
14	(C) Watch trends	1
15	(B) Economic	1

16	(A) Problem		1
17	(D) Manpower Plan		1
18	(C) Private company		1
Section B			
19	<p>a. Analytical planning: Carefully identifying the product or service, its features, design as well as the resources that will be needed.</p> <p>b. Resource organization: Obtaining the required resources, materials, technology, human or capital resources.</p> <p>c. Implementation: Applying the resources in order to accomplish the plans and delivering results.</p> <p>d. Commercial application: The provision of value to customers, reward employees, and satisfy the stake holders.</p>	$\frac{1}{2}$ $\times 4$ $= 2$	2
	OR	<p>A problem is a roadblock in a situation, something that sets up a conflict and forces an entrepreneur to find a solution. When an entrepreneur identifies such a road block, he/she is said to have identified the problem.</p> <p>Objectives of problem identification:</p> <p>a. It should clearly state the problem</p> <p>b. Identify target group facing the problem</p> <p>c. Find the market acceptability of the solution to the problem</p> <p>(Any two)</p>	
20	<p>(a) The component of product mix is 'Branding'. Branding is a process, a tool, a strategy, an orientation whereby a name, a sign or a symbol, etc. is given to a product by the entrepreneur so as to differentiate his/her product from the rival products.</p>	$\frac{1}{2}$ + $\frac{1}{2}$	2
	<p>(b) Trade Mark Trade mark is a brand or part of a brand that is given legal protection against its use by other firms.</p>	$\frac{1}{2}$ + $\frac{1}{2}$	
21	<p>Idea germination: 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>	$\frac{1}{2}$ + $\frac{1}{2}$ = 1	2

	<p>Preparation: On the basis of the idea, interest and curiosity the need is adjudged by the entrepreneur and he starts looking for the answer to implement the idea. If the idea is to launch a new product or service then market research is conducted. That happens because the seed of curiosity has taken the form of an idea, which the entrepreneurs foresee the future of the product.</p> <p>The next two steps to be followed by Prabhav are:</p> <p>Incubation: This is the subconscious assimilation of information. This is the transition period. The entrepreneur starts thinking about the idea and it's implementation in his sub-conscious mind.</p> <p>Illumination: In this period of illumination the idea re-surfaces in a 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>$\frac{1}{2}$ + $\frac{1}{2}$ = 1</p>	
22	<p>(a) Advantages of franchisor (Related to expansion risk) is Quick expansion</p> <p>The most obvious advantage of franchising for an entrepreneur is that it allows the venture to expand quickly using little capital. This advantage is significant when we reflect on the problems and issues that an entrepreneur faces in trying to manage and grow a new venture. A franchisor can expand a business nationally and even internationally by authorizing and selling franchises in selected locations. The capital necessary for this expansion is much less than it would be without franchising. The value of the franchise depends on the track record of the franchisor and on the services offered to the entrepreneur or franchisee.</p> <p>Cost advantages</p> <p>The mere size of a franchised company offers many advantages to the franchisees. The franchisor can purchase supplies in large quantities, thus achieving economies of scale that would not have been possible otherwise. Many franchise businesses produce parts, accessories, packaging and raw materials in large quantities, then in turn sell these to the franchisees. The franchisee are usually required to purchase these items as part of the franchise agreement and they usually benefit from lower prices.</p> <p style="text-align: center;">OR</p> <p>(b) Market considerations related to channels of distribution 1. Number of buyers</p> <p>If the number of buyers is large then it is better to take the services of middlemen for the distribution of the goods. On the contrary, the distribution</p>	<p>1</p> <p>1</p> <p>1</p>	<p>2</p> <p>2</p>

	<p>should be done by the manufacturer directly if the number of buyers is less.</p> <p>2. Types of buyers Buyers can be of two types: General Buyers and Industrial Buyers. If more buyers of the product belong to general category then there can be more middlemen. But in case of industrial buyers there can be fewer middlemen.</p>	1																									
23	<p>(a) A business plan is comprehensively written down document prepared by the entrepreneur describing formally all the relevant external and internal elements involved in starting a new venture.</p> <p>Business plans are considered as decision making tools.</p> <ol style="list-style-type: none"> 1. Describing all necessary inputs for the enterprise. 2. Explaining the mode of utilization of the resources. 3. Detailing the strategies for the execution of the project. 4. Outlining the desired goals. 5. Assessing market sensitivity and the profitability of the venture. <p>(Any two points)</p> <p style="text-align: center;">OR</p> <p>(b)</p> <p>(i) Ability to harness different sources of information: Various sources like magazines, journals, books, seminars, trade shows, family members, customers, friends, etc. help in getting information that results in evolution of basic ideas. Bringing together the various sources of information and knowledge and analysing it to the best possible extent helps in identification of the right opportunity to start a new business.</p> <p>(ii) Vision and creativity: Creativity is innovating a solution and vision. The entrepreneur should be able to creatively identify an idea to generate a valuable solution to a problem.</p>	1 1/2 + 1/2	2																								
24	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Week</th> <th style="width: 15%;">Number of Customers</th> <th style="width: 20%;">Average Amount billed per customer (in Rs.)</th> <th style="width: 15%;">Total billed amount (in Rs.)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>20</td> <td>200</td> <td>4,000</td> </tr> <tr> <td>2</td> <td>34</td> <td>170</td> <td>5,780</td> </tr> <tr> <td>3</td> <td>26</td> <td>142</td> <td>3,692</td> </tr> <tr> <td>4</td> <td>44</td> <td>462</td> <td>20,328</td> </tr> <tr> <td>5</td> <td>36</td> <td>350</td> <td>12,600</td> </tr> </tbody> </table>	Week	Number of Customers	Average Amount billed per customer (in Rs.)	Total billed amount (in Rs.)	1	20	200	4,000	2	34	170	5,780	3	26	142	3,692	4	44	462	20,328	5	36	350	12,600	1	2
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	<table border="1"> <tr> <td></td> <td>160</td> <td></td> <td>46,400</td> </tr> </table> <p>Unit Price Per Customer = Total Billed Amount/ No. of Customer</p> <p>= 46,400/160 = Rs. 290 per customer</p>		160		46,400	+ ½ for final answer = 2	
	160		46,400				
	Section C						
25	<p>(a) Cost plus pricing method</p> <p>(b) Advantage of this method (Any one)</p> <p>1. It is the simplest method to decide the price</p> <p>2. It is easier for the company to evaluate the reasons for escalations in expenses and take corrective action immediately.</p> <p>3. The company knows the exact amount of expenditure that has been incurred therefore they can add profit accordingly and can achieve the desired revenue.</p> <p>Disadvantage of this method (Any one)</p> <p>1. This method does not take into account the future demand for a product which should be the base before deciding the price of a product.</p> <p>2. It does not take into account the competitors actions and their effect on pricing of the product, as in today's competitive world, if one solely depends on cost plus pricing, it can lead to failure of company's product in the market.</p> <p>3. It can result in the company overestimating the price of a product because this method includes sunk cost and ignores opportunity cost.</p>	1 1 1	3				
26	<p>(i) Scheduling – It means fixation of time, day, date when each operation is to be commenced and completed. It is the determination of the time that should be required to perform each operation.</p> <p>(ii) Follow-up – It relates to evaluation and appraisal of work performed and is helpful in detecting errors in the work.</p> <p>(iii) Inspection – It is the art of comparing materials, product or performance with established standards. This element helps the entrepreneur to set up laboratories or evolve methods to ensure predetermined quality of product/service.</p> <p style="text-align: center;">OR</p> <p>(i) Market-Research – Any organised effort to gather information about target markets or customers. It is a very important component of business strategy.</p>	1 1 1	3				

	<p>(ii) Market research helps an entrepreneur for generating Market driven or demand driven ideas in any of the following ways -</p> <p>a. by providing important information to identify and analyse the market need, market size and competition.</p> <p>b. It is a key factor to maintain competitiveness over competitors.</p> <p>c. It also includes social and opinion research which leads to systematic gathering and interpretation of information about individuals or organisations using statistical and analytical methods to gain insight or support decision making.</p> <p>(Any Two)</p>	1+ 1	
27	<p>a. The sales strategy is – Indirect Sales</p> <p>b. The other type of sales strategy is – Direct sales strategy In this strategy, sales people attack the competitors head on when talking to the customer. They talk about each feature of the competitor’s product and compare it to theirs. The term ‘negative selling’ refers to the direct sales approach.</p> <p>c. Effective sales strategy requires –</p> <p>(i) market knowledge</p> <p>(ii) awareness of competitors activities</p> <p>(iii) awareness of current trends</p> <p>(iv) detailed business analysis</p> <p>(Any Two)</p>	1 1/2 + 1/2 1/2 + 1/2	3
28	<p>a. Political Environment – It includes government stability and trade regulations and overall political environment in the country Quote - “The Prime Minister announced relaxation in export duties on electronic items. _____.”</p> <p>b. Technological Environment – It is influenced by government spending on research, new discoveries and development, government and industry focus of technological effort, speed of technological transfer and rate of obsolescence. Quote - “The company developed a better and cheaper video – conferencing system _____.”</p> <p>c. Social Environment – It includes population demographics, social mobility, income distribution, lifestyle changes, attitude to work and leisure, levels of education and consumerism. Quote - “There is an increase in the level of education and consumerism globally.”</p>	1/2 + 1/2 1/2 + 1/2 1/2 + 1/2	3

29	<p>(i) Seed-capital finance- It refers to the capital required by an entrepreneur for conducting research at pre-commercialization stage. During this stage the entrepreneur has to convince the investor why his idea/product is worthwhile. The investor will investigate into the technical and economical feasibility of the idea.</p> <p>(ii) Start-up finance – This is a stage when a business plan is presented by the entrepreneur to the venture capitalist firm and a management team is formed to run the venture.</p> <p>(iii) Second-round financing – At this stage we presume that the idea has been transformed into a product and is being produced and sold. This is the first encounter with the rest of the market, the competitors and attempt is to squeeze in the market and get some market share from the competitors</p> <p style="text-align: center;">OR</p> <p>Angel Investors are affluent individuals who provide capital for a business start-up and early stage companies having a high-risk, high-return matrix usually in exchange for convertible debt or ownership equity.</p> <p>Features</p> <p>(i) Most angel investors are current or retired executives, business owners or high net worth individuals having knowledge, expertise and funds that help start-ups match up to industry standards.</p> <p>(ii) They expect a very high return on investment.</p> <p>(iii) Apart from investing funds, most angels provide proactive advice, guidance, industry connections and mentoring to the start-up in its early days.</p> <p>(iv) Their objective is to create great companies by providing value creation, and simultaneously helping investors realise a high return on investments.</p> <p>(v) They have a sharp inclination to keep abreast of current developments in a particular business arena, mentoring another generation of entrepreneurs by making use of their vast experience.</p>	<p>1</p> <p>1</p> <p>1</p> <p>1/2</p> <p>1/2</p> <p>× 5</p>	<p>3</p> <p>3</p>
Section D			
30	<p>Advertising is a paid form of communication designed to persuade potential customers to choose the product or service over that of a competitor.</p> <p>Four rules to be considered</p> <p>Aim - What is the primary purpose of the advertisement? Is it to inform, sell, produce listings or improve the image of the business?</p> <p>Target - Who is the target? From which sector of the public are we trying to</p>	<p>1</p> <p>1/2</p> <p>× 4</p> <p>= 2</p>	<p>5</p>

	<p>achieve a response? For example, is it male, female, adult, teenager, child, mother, father etc.</p> <p>Media – Bearing the aim and target in mind, which are of the media available is the most suitable – i.e. TV, radio, press or Internet?</p> <p>Competitors – What are the competitors doing? Which media channel do they use? Are they successful? Can you improve on their approach and beat them in competition?</p> <p>Good advertising generally elicits the following four responses:</p> <p>Attention – It catches the eye or ear and stands out amid the clutter of competing advertisements.</p> <p>Interest – It arouses interest and delivers sufficient impact in the message or offering.</p> <p>Desire – It creates a desire to learn more or crave ownership.</p> <p>Action – It spurs an action which leads to achievement of the advertisement’s original objective – i.e. it prompts potential customers to purchase or use your product or service.</p> <p style="text-align: center;">OR</p> <p>A franchise agreement is the legal document that binds the franchisor and franchisee together. This document explains what the franchisor expects from the franchisee in running the business. The agreement is designed to assure that all of the franchisees within an organization are treated equitably. The expectations must be uniform throughout the system.</p> <p>The main ingredients of a franchise agreement:</p> <ol style="list-style-type: none"> 1. Contract Explanation: The contract explanation is the part of the agreement that outlines the type of relationship a franchisee is entering into with the franchisor. 2. Operations Manual: The operations manual is the section of the agreement that details the guidelines that the franchisee must legally follow in operating the business as outlined by the franchisor. From time to time amendments may be made and the franchisee must be prepared to adjust operations accordingly. The franchisee needs to be aware that the contents of the document are confidential. 3. Proprietary Statements: Proprietary statements outline how the franchise name is to be used, as well as the marketing and advertising procedures in place that the franchisee will be required to follow. Also, the franchisor documents how much the franchisee will be required to contribute toward national advertising efforts. 4. Ongoing Site Maintenance: Ongoing site maintenance is another item that is outlined in the agreement. Included are the types and timeframes regarding 	<p>$\frac{1}{2}$ $\times 4$ $= 2$</p>	
		<p>1</p>	<p>5</p>
		<p>1 \times 4 $=$ 4</p>	

	various maintenance items and upgrades that must be made to the franchisee's location.		
31	<p>Primary Market- It is a market to facilitate transfer of resources from the savers to the entrepreneurs seeking funds for:</p> <ol style="list-style-type: none"> 1) Setting new enterprises 2) Expanding 3) Diversifying <p>Methods of flotation of new issues An entrepreneur can raise the required capital in the primary market by the following methods:</p> <ol style="list-style-type: none"> 1. Public issue 2. Rights issue 3. Private placement 4. Offer to the employees <p>1. Public issue / going public Public issue is the most popular method of raising capital these days by the entrepreneurs. This involves raising 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. When an entrepreneur offers shares to the public for subscription he/she is required to comply with all the restrictions and formalities pertaining to the initial issues, prospectus drafting and launch.</p> <p>2. Rights issue Rights issue 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. Normally, through a circular, rights issues are proposed to the existing shareholders and in case they are not willing to subscribe, they can renounce the same in favour of another person. This method of issuing securities is considered to be inexpensive as it does not require any brokers, agents, underwriters, prospectus or enlistment, etc.</p> <p>3. Private placement Private placement means the direct sale by a company of its securities to a limited number of sophisticated investors.</p> <p>4. Offer to employees Stock options or offering shares 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:</p> <ol style="list-style-type: none"> a) Higher efficiency b) Low labour turnover 	1	5

1 ×
4 =
4

	<p>c) Better industrial locations d) Low floatation cost e) Wider/higher generation of funds.</p>		
32	<p>A company is an association of persons who contribute money in the shape of shares and the company gets a legal entity and enjoys permanent existence.</p> <p>Features:</p> <p>(i) Separate legal entity – A company has an independent status, different from its members.</p> <p>(ii) Limited liability – The liability of the shareholders of a company is normally limited to the amount of shares held or guarantee given by them.</p> <p>(iii) Transferability of shares – Subject to certain conditions, shares are freely transferable. In a private company there are some restrictions.</p> <p>(iv) Diffusion of ownership and management – There exists separation of ownership from management. As the shareholders could be scattered across country and they give the right to the directors to manage the company's affairs.</p> <p style="text-align: center;">OR</p> <p>(b) Benefits of understanding the relevant environment of business are :</p> <p>(i) Identification of opportunities to get first mover advantage - By keeping in touch with the changes in the external environment, an enterprise can identify opportunities and find strategies to capitalise on the opportunities at the earliest.</p> <p>(ii) Formulation of strategies and policies -It helps in identifying threats and opportunities in the market. These can serve as the basis of formulation of strategies to counter threats and capitalise on opportunities in the market.</p> <p>(iii) Tapping useful resources -If the company has a thorough knowledge of the external environment, it can tap raw materials, technology and even financial resources from the market at economical prices, at the right time.</p> <p>(iv) Better performance - Proper understanding of the various elements of the external environment is necessary to take timely action to deal with threats and avail opportunities for the purpose of improvement in the performance of the firm.</p> <p>v) Sensitisation of entrepreneurs to cope up with rapid changes-A keen watch on the trends in the environment would help sensitise the entrepreneur to changing technology, competition, government policies and changing needs of the customers. For example, trends in clothing.</p> <p>vi) Image building -If a company is sensitive to the external environment, it will come out with new products and services to meet the requirements of the customers. This would build the image or reputation of the firm in the eyes of</p>	<p>1</p> <p>1 × 4 = 4</p> <p>5</p> <p>1 × 5 = 5</p>	<p>5</p> <p>5</p>

	the general public. For example, call–radio taxis with additional features like GPS systems, online booking etc. (Any Five)		
33	Full marks may be awarded to all the candidates.		5
34	<p>(a) Component of Business Plan – Production Plan Objective — “Picturising ahead every step in a long series of separate operations, each step to be taken in the right place, of the right degree and at the right time, and each operation to be done at maximum efficiency.”</p> <p>(b) Three options available before the venture are :</p> <p>i) No manufacturing involved: If the new venture does not include any manufacturing function, say it’s a trading firm or a service provider, and then this section will stand eliminated from the plan.</p> <p>ii) Partial manufacturing: If some or all the manufacturing process is to be subcontracted or outsourced, then the production plan should describe: i) Name and location of subcontractor(s) ii) Reasons for their selection iii) Cost and time involved iv) Any contracts that have been completed etc. In such cases, a clear mention of what entrepreneur intends to do himself and what he plans to get it done from outside is required.</p> <p>iii) Complete Manufacturing: If the manufacturing is to be carried out in whole by the entrepreneur, he/she will need to describe: i) the physical plant layout, ii) the machinery and equipment required to perform the manufacturing operations, iii) raw materials and suppliers names, addresses, terms and conditions, iv) cost of manufacturing v) any future capital equipment required etc.</p>	<p>1 1</p> <p>1 × 3 = 3</p>	5