ENTREPRENEURSHIP (066)
CLASS XII (2026-27)
Marking Scheme

Q.No.	ANSWER	MARKS
	SECTION - A	
1	(C) Change	**1**
2	(A) Idea generation	**1**
3	(B) Problem Identification	**1**
4	(D) P - (III), Q - (IV), R - (I), S - (II)	**1**
5	(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).	**1**
6	(D) Private limited company	**1**
7	(C) Proforma income statement	**1**
8	(B) Manpower	**1**
9	(B) Ambient **Note : The following question is for the Visually Impaired Candidates only in lieu of Ans. 9.** (A) Using social media platforms regularly and engaging with the followers.	**1** **1**
10	(B) (ii) and (iii)	**1**
11	(C) Assertion (A) is true, but Reason (R) is false.	**1**
12	(C) Acquisition	**1**
13	(C) Both statements 1 and 2 are true.	**1**
14	(A) ₹105 Solution: Step 1: Calculate Sales Price per Unit $\text{Sales price per unit} = \frac{18,000}{60} = ₹300$ Step 2: Calculate Cost per Unit $\text{Cost per unit} = 65\% \text{ of } 300 = 0.65 \times 300 = ₹195$ Step 3: Calculate Gross Margin per Unit $\text{Gross Margin} = \text{Sales Price} - \text{Cost Price}$ $= 300 - 195 = ₹105$	**1**
15	(B) Working Capital	**1**
16	(D) Offered to the existing shareholders, who may either subscribe or renounce.	**1**
17	(D) Ability to raise additional capital from a larger pool of investors.	**1**
18	(A) Only (i)	**1**

Note: There is no change in the Question Paper Design and Assessment Pattern for Academic Session 2026-27.

SECTION B		
19 A	Analytical planning: Carefully identifying the product or service features, design as well as the resources that will be needed. Resource organization: Obtaining the required resources, materials, technology, human or capital resources.	**1** **1**
	OR	
19 B	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.	**2**
20	(I) The element of the business plan being performed by Ritika is Production Planning and Control, which is a part of the Production Plan. (II) This element helps entrepreneurs by monitoring the flow of production, controlling quality, identifying delays or bottlenecks, and taking corrective measures to ensure that goods are produced efficiently, on time, and with minimum defects.	**1** **1**
21 A	(I) Mutual agency: 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. (II) The applicability of the mutual agency feature in a partnership firm: • Each partner is liable for acts performed by other partners. • Each partner can bind other partners and the firm by his acts done in the ordinary course of business.	**1** ½ ½
	OR	
21 B	Number of members: A private company has a minimum of two and a maximum of fifty members, whereas a public company has a minimum of seven members with no maximum limit. Transferability of shares: In a private company, the right to transfer shares is restricted, whereas in a public company, shares are freely transferable.	**1** **1**
22	(I) The promotional approach used by Shoreal is Below-the-Line Promotion. (II) Personalised Communication: Below-the-line promotion allows direct and personal contact with customers, helping the firm communicate product features more effectively. (Any other relevant feature to be awarded marks)	**1** **1**
23	(I) The pricing strategy used by the company is Variable Pricing. (II) Under variable pricing, the same product is sold at different prices on the basis of quantity or size offered. This strategy helps the enterprise attract different categories of customers and increase overall sales, as buyers can choose a pack size according to their needs and paying capacity. **Note: The following questions are for the Visually Impaired Candidates only in lieu of Ans. 23.** (I) Cost-plus pricing strategy: Under the cost-plus pricing strategy, a company first calculates the total cost of production of a product, including all costs, and then adds a fixed margin of profit to determine the selling price. (II) One advantage of cost-plus pricing strategy: This pricing strategy ensures recovery of all costs along with a guaranteed margin of profit, making it simple and safe for the company to use.	**1** **1** **1** **1**

24	Economic Order Quantity (EOQ)= $\sqrt{\frac{2PD}{C}}$ $= \sqrt{\frac{2 \times 1{,}500 \times 1{,}200}{40}}$ = 300 units **OR** Working Capital = Current Assets − Current Liabilities = (₹30,000 + ₹50,000 + ₹40,000) − (₹35,000 + ₹15,000) = ₹ 70,000	**1** **½** **½** **1** **½** **½**
SECTION C		
25	Read Trend: “She studied market reports and social media posts to understand their needs and challenges.” Watch Trend: “She also observed competitors and local supermarkets to see what products were in demand and which gaps existed.” Talk Trend: “Additionally, she conducted surveys and talked to potential customers and nutrition experts to understand their preferences and challenges.”	**1** **1** **1**
26	Benefits Urban Ride gained by scanning the business environment: • Identification of Opportunities: Keeping track of external changes helps a business spot opportunity early. • Formulation of Strategies: Understanding market threats and opportunities aids in crafting strategies to address threats and seize opportunities. • Tapping Useful Resources: Knowledge of the external environment enables a company to acquire raw materials, technology, and financial resources efficiently.	**1** **1** **1**
27 A **27 B**	While selecting a channel of distribution, an entrepreneur should consider the following product-related factors: • Nature of the Product: Perishable, fragile, or technical products require shorter and more direct channels, whereas durable goods can be distributed through longer channels. • Unit Value of the Product: High-value products generally use direct channels to reduce costs and maintain control, while low-value products are distributed through indirect channels. • Standardised vs Customised Product: Standardised products are suitable for indirect distribution, whereas customised or made-to-order products require direct contact with customers. (Any other relevant point to be awarded marks) **OR** Indirect distribution channels involve intermediaries between the producer and the consumer. The main indirect channels available to an entrepreneur are: Producer → Retailer → Consumer: Used when retailers purchase goods directly from producers and sell them to consumers. Producer → Wholesaler → Retailer → Consumer: Suitable for large-scale distribution where wholesalers buy in bulk and supply to retailers. Producer → Agent → Wholesaler → Retailer → Consumer: Agents act as intermediaries who help in selling goods on behalf of the producer.	**1** **1** **1** **1** **1** **1**

28 A	(I) 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. (II) Main ingredients of a Franchise Agreement are: • Contract Explanation • Operations Manual • Proprietary Statements • Ongoing Site Maintenance	**1** ½ ½ ½ ½
	OR	
28 B	Internal expansion refers to the growth of a business through gradual increase in its own activities, such as adding new machines, increasing production capacity, or entering new fields of production and marketing. It is carried out within the existing organisation by using its own resources such as issue of shares, retained profits or long-term securities. Whereas; External expansion takes place when two or more existing concerns combine their operations to expand business activities and pursue common objectives. It involves business combination where separate units merge, cooperate or integrate for mutual benefit or maximum profits.	**1 ½** **1 ½**
29	(I) The appropriate yardstick to ascertain the efficiency of operations and profitability of CleanRide Services is Return on Investment (ROI). (II) Calculation of Profitability Given, Gross Profit = ₹ 6,00,000 Tax @ 20% = ₹ 1,20,000 Net Profit = ₹6,00,000 − ₹1,20,000 = ₹4,80,000 $\text{ROI} = \frac{\text{Net Profit}}{\text{Total Capital Employed}} \times 100$ $= \frac{4,80,000}{50,00,000} \times 100 = 9.6\%$	**1** **1** ½ ½
	SECTION D	
30	(I) The idea field that streamlined the launch of Qudrat is natural resources. (II) The two elements of the PESTEL model highlighted in the case are: • Environmental factor, reflected through the use of eco-friendly raw materials and focus on reducing pollution. • Technological factor, evident from the use of advanced and automated production processes to ensure quality and efficiency. (III) The component of the financial plan illustrated is the sales forecast or revenue projection, as the enterprise estimates a revenue of ₹3 crore in its second year, indicating expected future sales and economic feasibility of the venture.	**1** **1** **1** **2**

31	(I) Format of Business Plan: Meeting I: Elevator Pitch Meeting 2: Presentation Business Plan (II) Objective of Format used in Meeting 3: A detailed business plan is a comprehensive written document containing information related to market analysis, operations, financial projections, and risk factors. Its objective is to provide complete and detailed information to formal investors for thorough evaluation of the business proposal. (III) The format of business plan not used by the company is the Internal Operational Plan.	 **1** **1** **2** **1**
32	(I) Aurora Enterprises Ltd. has adopted the Acquisition strategy for expansion. (II) Reasons behind adopting the Acquisition strategy for expansion: • Quick entry into a new market helps an enterprise enter a new business or market quickly without starting operations from scratch. • Access to existing resources and capabilities provides immediate access to technology, infrastructure, skilled manpower and established systems. • Reduction of risk and uncertainty reduces business risk as the enterprise already has a proven market presence. • Synergy and economies of scale leads to synergistic benefits where the combined strengths of enterprises result in better efficiency and cost advantages.	**1** **1** **1** **1** **1**

33 A

Product	**Classic Roast**	**Mocha Blend**	**Herbal Coffee**
Selling price per unit (₹) (a)	100	80	50
Variable cost per unit (₹) (b)	50	40	20
Contribution margin per unit (a) – (b)	**50**	**40**	**30**
Sales Mix %	20%	30%	50%
Step 1: Weighted Average Contribution per unit	50 x $\frac{20}{100}$ = 10	40 x $\frac{30}{100}$ = 12	30 x $\frac{50}{100}$ = 15

1 ½

Step 2:

Total Weighted-average contribution margin per unit (WACM) = 10 + 12 + 15 = ₹37 — **½**

Step 3:

Overall Break-even point = $\frac{\text{Total Fixed Cost}}{\text{Weighted average contribution margin per unit}}$ — **1**

= $\frac{14,80,000}{37}$ — **½**

= 40,000 units. — **½**

Step 4: Product wise Break-even point

Break-even point of Classic Roast = 40,000 x 20% = 8,000 units — **½**

Break-even point of Mocha Blend = 40,000 x 30% = 12,000 units — **½**

Break-even point of Herbal Coffee = 40,000 x 50% = 20,000 units — **½**

OR

33 B	(I) The analytical tool that Anaya should use is Break-even Analysis. Break-even analysis is a technique used to determine the level of sales (or revenue generated) that equals all the expenses required for generating that revenue. It is not more than the expenses (i.e. no profit) nor is it less than the expenses (i.e. no loss). In other words, there is neither loss nor profit. (II) Anaya can use this analysis to effectively manage her multi-product business as break-even analysis: • determines the minimum level of output to be produced, setting profit goal and sales target. • determines the products that are not contributing to meet the fixed expenses and thus brings up the item for discussion in management meetings about its continuity. • Identifies the effect of change in quantity of output upon the profits.	**2** **1** **1** **1**
34 A **34 B**	(I) An Angel Investor is an individual who provides financial support to start-ups or early-stage enterprises, usually in exchange for ownership equity, and often offers guidance and mentoring based on personal business experience. (II) Role of an Angel Investor in building an enterprise: Most angel investors are current or retired executives, business owners or high net worth individuals who have the knowledge, expertise, and funds that help start-ups match up to industry standards. Apart from investing funds, most angels provide proactive advice, guidance, industry connections and mentoring start-ups in its early days. Their objective is to create great companies by providing value creation, and simultaneously helping investors realize a high return on investments. **OR** (I) Features of Venture Capital Finance: • Provides long-term capital to high-risk, high-growth businesses. • Investment is made in the form of equity or convertible securities, not loans. (Any other relevant feature to be awarded marks) (II) Venture Capital support startups during early stage of their business through: • 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 (VC) why his idea/product is worthwhile. • Startup finance - This is also called the start-up stage. A business plan is presented by the entrepreneur to the VC firm. A management team is being formed to run the venture. While the organisation is being set up, the idea/product gets its form. The management-team establishes a feasible production line to produce the product. • Second-round financing - At this stage, we presume that the idea has been transformed into a product and is being produced and sold. The entrepreneur, at this stage, needs assistance from the Venture Capitalist for expansion, modernization, diversification so that the economies of scale and stability could be attained.	**2** **3** **1** **1** **1** **1** **1**