

Marking Scheme
Strictly Confidential
(For Internal and Restricted use only)
Senior School Certificate Examination, 2025
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.

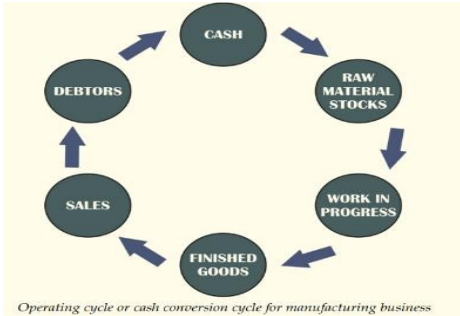
Set 4

MARKING SCHEME

ENTREPRENEURSHIP

A.No.	Answers	Marks
1	(C) Mutual agency	1
2	(B) Existing products or Services-Based ideas	1
3	(D) Creaming pricing	1
4	(A) Logo <u><i>For Visually Impaired Candidates</i></u> (D) Advertising	1
5	(D) Sole Proprietorship	1
6	(C) a business enterprise	1
7	(B) (1)-(ii), (2)-(iii), (3)-(i), (4)-(iv)	1
8	(D) Zero-Level Channel	1
9	(A) (i) only	1
10	(C) Trademark	1
11	(B) Vertical Merger	1
12	(B) General Introduction	1
13	(C) Assertion (A) is true, but Reason (R) is false	1
14	(C) Total Capital Invested	1
15	(B) Short-term investment	1
16	(C) Private Placement	1
17	(B) Reverse	1
18	(D) Stock Keeping Unit (SKU) code, Obsolescence	1

	<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) 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 the general public.</p>		
21	<p>No, Deepa cannot transfer her share in favour of her son Deepak, without the consent of the other partners, Guddi and Vani.</p> <p>The reason is as per the Partnership Act no partner can sell or transfer his share to anybody else without the consent of the other partners.</p> <p>This is reflected in the feature - 'Restriction on transfer of share' which is highlighted in the above case.</p> <p style="text-align: center;">OR</p> <p>Yes, Aruna's personal property can be called upon to pay her business debts.</p> <p>The reason is that a sole proprietor is responsible for all losses arising from business and in case the business assets are insufficient to pay off liabilities, they will have to sell their personal property.</p> <p>This is reflected in the feature - 'Unlimited liability' which is highlighted in the above case.</p>	2	2
22	<p>Method used by Sujit to spot the trend is Read trends.</p> <p>Read Trends:</p> <p>Entrepreneurs regularly read the leading publications and websites affecting their business. Publications include industry publications, trade association sites, major newspapers, key business magazines, thought leaders and influential bloggers. They scan information from a wide variety of sources from international news on down to niche bloggers focused on specific aspects of their industry.</p> <p>Other ways are-</p> <p>(Any Two)</p> <ol style="list-style-type: none"> 1. Talk trends 2. Watch trends 3. Think trends <p>(Note: Full marks to be awarded if the candidate has only mentioned the heading)</p>	$\frac{1}{2} +$ $\frac{1}{2} =$ 1 $+$ $\frac{1}{2} +$ $\frac{1}{2} =$ 1	2

23	<p>A pitch deck with oral narrative : A hopeful, entertaining slide show and oral narrative that is meant to trigger discussion and interest potential investors in reading the written presentation, i.e. the executive summary and a few key graphs showing financial trends and key decision making benchmark.</p>	2	2
24	<p>(a) (i) The given cash conversion cycle is of Trading business (ii) Cash Conversion Cycle for Manufacturing Business</p>  <p><i>Operating cycle or cash conversion cycle for manufacturing business</i></p> <p><u>For visually impaired candidates</u></p> <p>(a) Gross working capital = sum of all current assets = cash + debtors + stock = 20,000 + 3,50,000 + 80,000 = ₹ 4,50,000</p> <p style="text-align: center;">OR</p> <p>(b) ABC Analysis technique of Inventory control: In ABC analysis, a company reviews its inventory and sorts all Stock Keeping Unit (SKU) codes into three categories, called “A”, “B” and “C” items. The typical break-down might look like this: “A” inventory : 20% of SKUs, 80% of value “B” inventory : 30% of SKUs, 15% of value “C” inventory : 50% of SKUs, 5% of value “A” inventory are tightly controlled, the company pays close attention to current demands and forecasts for future demands. “B” inventory are also watched closely but the company reviews its ordering strategy less often. “C” inventory are less expensive, the company can order them in bulk and exercise minimal control.</p>	<p>1 + 1</p> <p>2</p> <p>2</p> <p>2</p>	<p>2</p> <p>2</p> <p>2</p> <p>2</p>

27	<p>(a) Cost Plus Pricing Method</p> <p>(b) Advantages of Cost Plus Pricing Strategy : (Any Two)</p> <ol style="list-style-type: none"> 1. Company knows exactly the amount of expenditure that has been incurred on making a product and therefore they can add profit margin accordingly which helps in achieving the desired revenue for a firm. 2. It is the simplest method to decide the price for a product because one has just to add up all the cost and then add profit which you want to earn which will give the price for a product. 3. Since the company is using its own data for deciding cost which makes it easier for a company to evaluate the reasons for escalations in expenses and therefore it can take corrective action immediately. 	<p>1</p> <p>+</p> <p>1 + 1</p>	3
28	<p>(a) Considerations related to PRODUCT while selecting the channel of distribution are: (Any three)</p> <ol style="list-style-type: none"> 1. Unit value of the product: When the product is very costly it is best to use a short distribution channel. On the other hand, for less costly products long distribution channel is used. 2. Standardised or customized product: To sell standardised products long channel of distribution is used. For customised products face-to-face interaction between the manufacturer and the consumer is essential, so for these direct sales is a good option. 3. Perishability: For highly perishable products minimum middlemen or no middlemen channel is used. On the contrary, a long channel of distribution can be selected for durable goods. 4. Technical nature: If a product is of technical nature, it is better to supply it directly to the consumer. <p style="text-align: center;">OR</p> <p>(b) Above-the-line promotion strategy Above-the-line promotions use mass media methods. This type of promotion focuses on advertising to a large audience. It includes conventional media like print, online, television and cinema advertising. Above-the-line activities include advertisements in the press, online banner advertisements, advertisements on billboards and use their website. Making a message memorable to a large audience is not always easy. It is difficult to tailor a promotion to a specific group of consumers, as it is viewed by a mass audience with different tastes and needs. This promotion strategy is also very expensive.</p>	<p>1 x 3 = 3</p> <p>3</p>	3

29	$EOQ = \sqrt{\frac{2PD}{C}}$ <p>P = Cost of placing order = ₹100 D= Annual demand in units = 40,000 charts C = Carrying cost / Holding cost = 20% of purchase cost = 20/100 x 10 = ₹ 2</p> $EOQ = \sqrt{\frac{2 \times 100 \times 40,000}{2}}$ $= \sqrt{4000000}$ $= 2,000 \text{ units/ chart papers}$	(1 Mark for formula + ½ mark for calculation of carrying cost + 1 mark for working of EOQ + ½ mark for final answer) = 3	
	Section D		
30	<p>(a) Component of Business Plan discussed - Production Plan</p> <p>(b) Objective of component identified- Picturizing 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>(c) Points that are needed to be described in this component of the business plan, if the manufacturing is to be done out in whole by ‘Bharat Ltd’. are: (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>	1 + 1½ + (½x5) = 2 ½	5
31	<p>(a) Meaning- Franchising is an arrangement whereby the manufacturer or sole distributor of a trademarked product or service gives exclusive rights of local distribution to independent retailers in return for their payment of royalties and conformance to standardized operating procedures.</p> <p>Main components of a Franchise agreement are: (i) Contract Explanation: It is the part of the agreement that outlines the type of relationship a franchisee is entering with the franchisor. (ii) Operations Manual: It outlines the legal guidelines that the franchisee</p>	1 + (1×4) = 4	5

	<p>must follow in operating the business. It may be updated periodically, and its content remains confidential.</p> <p>(iii) Proprietary Statements: This statement specifies the usage of the franchise name, marketing, advertising procedures, and the franchisee's contribution to national advertising.</p> <p>(iv) Ongoing Site Maintenance: It specifies maintenance requirements, timeframes, and necessary upgrades for the franchise location.</p> <p style="text-align: center;">OR</p> <p>(b) Forms of Synergy:</p> <p>1. Operating Synergy: It refers to cost savings through economies of scale or increased sales and profits, leading to overall growth of the firm.</p> <p>2. Financial Synergy: It results from financial factors like lower taxes, higher debt capacity, or better use of idle cash. When a firm with losses or unabsorbed depreciation merges with a profitable firm, the combined firm can offset losses against profits, creating a tax shield.</p> <p><i>(Note: Since there are only two forms of synergy, full marks may be awarded if both forms of synergy are explained correctly)</i></p>	<p>2 ½ +</p> <p>2 ½</p>	<p>5</p>
32	<p>Macro Environmental Factors:</p> <p>(i) Technological: "It invested in research and development to adopt new technology_____".</p> <p>(ii) Political: "The government was stable for the last many years_____".</p> <p>(iii) Legal: "The company complied with health and safety regulations_____".</p> <p>(iv) Economic: "Since the disposable income of the people in rural areas was low_____".</p> <p>(v) Ecological: "The company ensures that its production causes minimum environmental damage_____".</p> <p><i>(Note: ½ mark for identifying heading and ½ mark for quoting the relevant line)</i></p>	(1× 5)	5

Type of Juice	Mango (Per Litre)	Orange (Per Litre)	Guava (Per Litre)
Selling price (₹) (A)	150	135	100
Variable cost (₹) (B)	80	65	60
Contribution margin (A-B)	70	70	40
Sales Mix Percentage	20%	40%	40%
Weighted Average Contribution Margin	$70 \times 20/100$ = 14	$70 \times 40/100$ = 28	$40 \times 40/100$ = 16

(a) Total weighted average Contribution Margin (Per Unit)

$$= 14 + 28 + 16$$

$$= ₹ 58$$

(b) Break-even point (in units) =

Fixed Cost/ Total Weighted Average Contribution Margin

$$= 1,76,000 / 58$$

$$= 3,034.48 \text{ Litres}$$

$$\text{Mango} = 3034.48 \times 20/100 = 606.89 \text{ Litres}$$

$$\text{Orange} = 3034.48 \times 40/100 = 1213.79 \text{ Litres}$$

$$\text{Guava} = 3034.48 \times 40/100 = 1213.79 \text{ Litres}$$

(c) Break Even Point (in ₹) = Break-even point in units X selling price

$$\text{Mango BEP (in ₹)} = 606.89 \times 150 = ₹ 91,033.50$$

$$\text{Orange BEP (in ₹)} = 1213.79 \times 135 = ₹ 1,63,861.65$$

$$\text{Guava BEP (in ₹)} = 1213.79 \times 100 = ₹ 1,21,379$$

(Note: Full marks may be awarded if all related formulas are given and the student solves the question UPTO total weighted average contribution margin correctly)

1 mark for
Contribution
margin

+

1 mark for
weighted
Average
Contribution
Margin
+

1 mark for
total
weighted
Average
Contribution
Margin
+
1 mark for
BEP
formula
(in units)
+

1 mark for
BEP
formula (in
rupees)

34	<p>(a)</p> <p>(i) Type of capital- Venture Capital</p> <p>(ii) The three stages of early-stage financing that require venture capital are as follows:</p> <p>1. Seed Capital Finance -This is the capital required at the pre-commercialization stage of research. The entrepreneur must convince the investor (VC) if the idea is worth, while the investor evaluates its technical and economic feasibility.</p> <p>2. Pre-Start up and startup capital - If the idea qualifies for further investment, it moves to the start-up stage. The entrepreneur presents a business plan to the VC firm, and a management team is formed. If the company has a board of directors, a representative from the VC firm takes a seat.</p> <p>3. Second-Round Financing- At this stage, the idea has turned into a product that is being produced and sold. The business faces competition and aims to secure market share. The entrepreneur, at this stage, needs assistance from the Venture Capitalist for expansion, modernization, and diversification so that the economies of scale and stability could be attained.</p> <p style="text-align: center;">OR</p> <p>(b)</p> <p>(i) Angel Investors</p> <p>(ii) Features of Angel Investors: <i>(Any Four)</i></p> <p>1. 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.</p> <p>2. Angel investors bear extremely high risk and are usually subject to dilution from future investment rounds. They expect a very high return on investment.</p> <p>3. Apart from investing funds, most angel investors provide proactive advice, guidance, industry connections and mentor start-ups in its early days.</p> <p>4. Their objective is to create great companies by providing value creation, and simultaneously helping investors realize a high return on investments.</p> <p>5. 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>$\frac{1}{2}$ + $1\frac{1}{2}$ $\times 3 =$ $4\frac{1}{2}$</p> <p>1 + $1 \times 4 = 4$</p>	<p>5</p> <p>5</p>
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