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INDIAN SCHOOL MUSCAT
FIRST TERM EXAMINATION
ENTREPRENEURSHIP
SUB .CODE: 066
MARKING SCHEME

CLASS XII

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|--|---|---|
| 1 | Ans: Co-operative societies | 1 |
| 2 | Ans: Natural Resource | 1 |
| 3 | Ans: innovation | 1 |
| 4 | Ans: Service | 1 |
| 5 | Ans: Place Utility | 1 |
| 6 | 1. Demand
2. Supply and nature of competition
3. Cost and price of product
4. Project innovation and change | 2 |
| 7 | 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.
(1+1=2) | 2 |
| 8 | Ans: Sales tax is on the act of sale
Excise duty is on the act of manufacture or production of goods | 2 |
| 9 | Ans: It can be considered as business. | 2 |
| 10 | TAN or tax deduction and collection account number is a 10 digit alpha numeric number required to be obtained by all persons who are responsible for deducting or collecting tax. | 2 |
| All those persons who are required to deduct tax at source or collect tax at source on behalf of Income Tax Department are required to apply for and obtain TAN. | | |
| 11 | Ans: a) political and social factor (½ + ½)
b)Respect environment and follow government regulations (1+1) | 3 |
| 12 | a) Sole proprietorship (1 mark)
b) Suitability : 1. Limited capital requirement
2. Market is local
3. size of the venture is small (any two relevant points -2 marks) | 3 |

- 13 **Ans: Problem Identification (1 mark)** 3
 Uses: 1. Bring out new products in the market
 2. Understand the problems and needs of the market
 3. Be creative
 4. Increase employment generation
 4. Increase national income (of the country) (any two-2 marks)
- 14 **Ans: Sole Proprietorship (1 mark)** 3
 Features: Individual financing
 Unlimited liability **(2 marks)**
- 15 **Business** 3
 Features: Economic activity
 Production or procurement of goods and services
- 16 **Ans:** 1) Capital requirement of the enterprise 3
 2) Risk and liability involved
 3) Managerial control desired
 4) Scale of operations involved
 5) Continuity and stability demanded
 6) Government regulations involved
 7) Tax burden on the entrepreneur/enterprise
 8) Nature of business
 9) Confidentiality required
 10) Flexibility desirable. (any six -- $\frac{1}{2} \times 6 = 3$)
- 17 1) A partner cannot file a suit in any court against the firm or other partners for the 3
 enforcement of any right arising from a contract or right conferred by the Partnership Act.
 2) A right arising from a contract cannot be enforced in any Court by or on behalf of the
 firm against any third party.
 3) Further, the firm or any of its partners cannot claim a set off (i.e. mutual adjustment of
 debts owned by the disputant parties to one another) or other proceedings in a dispute
 with a third party.
- 18 **(i)Partnership deed (1 mark)** 4
 (ii)
 1. Name of the firm.
 2. Nature of the business.
 3. Name of partners.
 4. Place of the business.
 5. Amount of capital to be contributed by each partner.
 6. Profit sharing ratio between the partners.
 7. Loans and advances from the partners and the rate of interest thereon.
 8. Drawings allowed to the partners and the rate of interest thereon.
 9. Amount of salary and commission, if any, payable to the partners.
 10. Duties, powers and obligations of partners.
 11. Maintenance of accounts and arrangement for their audit.
 12. Mode of valuation of goodwill in the event of admission, retirement and death of a
 partner.
 13. Settlement of accounts in the case of dissolution of the firm.
 14. Arbitration of case of disputes among the partners.
 15. Arrangements in case a partner becomes insolvent. (any six - $\frac{1}{2} \times 6 = 3$)
- 19 a) Verbal information from customers, wholesalers, retailers, distributors, consultants, tc. 4
 b) records of companies
 c) government publications

- d) publications by various financial institutions
e) formal studies conducted by strategic planners (any four – 1x 4 =4)
- 20 **(a) Service sector ideas (1 mark)** 4
(b) 1.Existing products or services
2.Natural resources
3. Market driven (explain each – 1 x 3 =3)
- 21 **BUSINESS PLAN** 4
a) helps in determining the viability of the venture in a designated market
b) helps in providing guidance to the entrepreneur in organizing his/her planning activities as such:
i) identifying the resources required
ii) enabling obtaining of licenses if required etc.
iii) working out with legal requirements as desired by the government.
c) helps in satisfying the concerns, queries, and issues of each group of people interested in the venture.
d) provides room for self-assessment and self-evaluation, requiring entrepreneur to think through various scenarios and plan ways to avoid obstacles.
e) though not desirable, at times, business plan helps to realize the obstacles which cannot be avoided or overcome, suggesting to terminate the venture while still on paper without investing further time and money.
(any four points - 1x 4=4)
- 22 **i) Identification of opportunities to get first mover advantage:** 6
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. For example, Volvo, the Swedish brand, has 74% share in the luxury bus segment as it had entered India earlier.
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.
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.
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.
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.
i) 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. For example, call–radio taxis with additional features like GPS systems, online booking etc.
- 23 (i) Creativity (1 mark) 6
(ii) Idea germination \Rightarrow preparation \Rightarrow incubation \Rightarrow illumination \Rightarrow verification
(explain each stage 1 x 5=5)

(i) Private Limited Company (1 mark)**(ii) 1) Separate legal entity**

A company has an independent status, different from its members. This implies that a company cannot be held liable for the actions of its members and vice-versa. Company has a distinct entity separate from its members.

2) Common seal

Being an artificial person, company cannot sign the documents. Hence, it uses a common seal on which its name is engraved. Putting the common seal on papers, is equivalent to that of signatures of a human being, making them binding on the company.

3) Limited liability

The liability of the shareholders of a company is normally limited to the amount of shares held or guarantee given by them. (any relevant point) (1x3= 3)

(iii) Privileges

- 1) Only two members are required to form a private company.
- 2) Only two directors are required to constitute the quorum to validate the proceedings of the meetings.
- 3) It can commence its business immediately after incorporation.
- 4) Directors of the private company need not have qualification shares. (2 marks)