



B.K. BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS
A CBSE DAY-CUM-BOYS' RESIDENTIAL SCHOOL



POST-MID TERM EXAM (2025-26)

ENTREPRENEURSHIP (066)

Class : XI

Date : 7/01/2026

Admission No: _____

Marking Scheme

Duration: 1Hr

Max. Marks: 25

Roll No. _____

General Instructions:

Read the following instructions very carefully and strictly follow them:

- i. This question paper contains 13 questions. All questions are compulsory.
- ii. Marks are indicated against each question.

1. The buyer buys more during the boom than in recession. His buying behaviour is being affected by which factor: (1)
a) Economic
b) social
c) political
d) legal
2. _____ can be defined as the study that gathers information directly from consumers by asking them questions about their preferences, taste and habit. (1)
a) Market research
b) **Market survey**
c) Research instruments
d) case studies
3. Statement 1: Channels of distribution makes shopping easy consumer and distribution simple for manufacturers.
Statement 2: Zero level channel of distribution is also known as direct channel (1)
a) **Both Statements are true**
b) Both Statements are false
c) Statement 1 is true but statement 2 is false
d) Statement 2 is true but statement 1 is false
4. **Assertion (A):** The break-even point is when total revenue equals total cost. (1)
Reason(R): At the break-even point, the business neither makes a profit nor incurs a loss.
Choose the correct option from the following:
 - a) **Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A).**
 - b) Both Assertion (A) and Reason (R) are correct and Reason (R) is not the correct explanation of Assertion (A).
 - c) Assertion (A) is correct, but Reason (R) is incorrect.
 - d) Assertion (A) is incorrect, but Reason (R) is correct.
5. The unit of sale house, plot and apartment is _____. (1)
a) Per piece

b) Per hour
 c) **Per square feet**
 d) Per litre

6. Non-recurring cost, which entrepreneur recurs at the time of launching the enterprise is called (1)

a) Fixed Cost
 b) Variable Cost
 c) **Start-up Cost**
 d) Operational Cost

7. Differentiate between Micro and Macro Environment. (2)

Ans)

Micro environment	Macro environment
1. Micro Environment or Internal Environment refers to the forces operating in the market that are close or within the enterprise or firm and affect its ability to serve its customers directly.	1. Macro environment refers to all forces that are part of the larger society and are the “uncontrollable” to which companies mould itself through setting the “controllable” factors.
2. It comprises of producer/seller customer, competitors, suppliers marketing intermediaries.	2. Macro environment comprises demographic forces, economic forces, technological forces, political forces, natural forces, cultural forces.
3. These are uncontrollable for a firm.	3. These are controllable for a firm.
4. It includes concepts such as demography, economy, natural forces, technology, politics, and culture.	4. This includes all departments, such as management, finance, research and development, purchasing, operations and accounting.

8. What will be the treatment of money withdrawn from ATM. (2)

Ans) Money being withdrawn from ATM is like cheque issued and there will be two entries—

(i) Cheque issued (outflow from bank)

(ii) Same amount received as cash (inflow into the Cash Book)

9. What do you mean by start up cost. Explain in detail. (2)

Ans) It is an initial cost incurred by a business for setting up a business before starting a business. It is associated with setting up a business.

- **It includes expenses for:** (a) acquiring assets (b) for acquiring initial raw material and other related items for setting up a business.
- All these expenses incur from the time you start the planning and preparation, i.e. many months before the actual operation beginning.
- It is also known as non-recurring cost or preliminary expenses or pre-operating expenses. Examples are : Accountant's fees, legal fees, registration charges, advertising* (through newspapers, pamphlets, hoardings boards, local news channel, workshops) promotional activities, and employee training.

10. “Desire to grow and expand comes naturally to an entrepreneur”. Do you agree? Give reasons for your answer. (2)

Ans) (i) It is desirous for a firm to grow and expand because of the following reasons:

(a) Natural desire: A healthy firm normally has a natural desire for growth for its goodwill and other reasons.

(b) Survival: Growth is essential for survival because if a firm does not grow when competitor firms are growing, then it might lose its competitiveness.

(c) Market share: A company needs growth to increase its market share so as to capture more number of customers.

(d) Market leader: Market leadership is an objective of growth for several companies and they want to dominate the other firms.

(e) Avoidance of risks: A company needs to diversify its business to minimize risks. By profit earned by one product can be used for compensating for the losses of other product.

(f) Full utilization: Growth becomes essential for full utilization of the existing resources of the company. Profit can only be maximized in the presence of full utilization of resources.

(g) Raising profit: To increase profits is the most obvious objectives of growth. More is the sale more is the profit margin.

(h) Motivation for employees: People working in the organisation will be motivated only if there are challenges, opportunities and growth in the enterprise. More job satisfaction is obtained in this way.

11. Price is the only element in the marketing mix that produces revenue, the other elements produce cost. Explain. (3)

Ans) Pricing is important because of following reasons:

(a) Key to Revenue: Price and quantity of sales together decide the revenue of any business. Suitable price for the consumer always fetches good revenue.

(b) Attract Customers's Convenient: Price of the product attracts the customers from other brands also. Brand loyalty can be broken by a lower price in the market.

(c) Edge Over Competition: Good quality at reasonable price always provide advantage to the firm as they then keep themselves in a position to remain ahead of the competitors. In the world of tough competition pricing plays a major role in capturing market.

(d) Crucial to Profits: Pricing is crucial to profits. Improper pricing have adverse effect on the profits of any enterprise

12. (A) Difference between Direct and Indirect Tax. (3)

Basis	Direct Tax	Indirect Tax
Meaning	A Direct tax is a kind of charge, which is imposed directly on the taxpayer and paid directly to the government by the persons (legal or natural) on whom it is imposed.	If tax is levied on the price of goods or service, then it is called an indirect tax and collected by an intermediary (such as a retail store) from the person who bears the ultimate economic burden of the tax (such as the customer).
Shifts	A direct tax is one that cannot be shifted by the taxpayer to someone else.	An indirect tax is one that can be shifted by the taxpayer to someone else or it can be included as a cost element in computation.
Levied on	Direct taxes are levied directly on income, capital value, wealth, corporate assets.	It is levied on goods and services like service tax, sales tax or VAT, central excise tax, custom duty, etc.

Ans)

OR

(B) Mukesh is a shop keeper who deals with shoes. He expects a daily profit of Rs.1,000. He has taken a loan on which he pays a daily interest of 100; daily rent is 250; employed a manager daily salary is 500 and a helper daily wage 200. Other fixed daily expenses were 350. His gross profit margin is Rs.150. Calculate : i) Total fixed expenses ii) Break even volume (per day) (3)

Ans) (i) Total fixed expenses : $(1,000 + 100 + 250 + 500 + 200 + 350) = 2,400$ (ii) Break even volume (per day) = Fixed expenses (daily) / Gross Margin per unit $2,400/150 = 16$ units per day

13. From, the following information prepare a Cash Register: (5)

(a) Ms. Keerti commenced business with Rs 5,00,000.

(b) Bought furniture worth Rs 2,00,000 and paid freight of Rs 5,600.

(c) Sold to us by Mr. Martin for cash :

- 5 coloured TV @10,000 each.
- 5 LED @ 18,000 each.

(d) Sold to M/s Nehal for cash: 2 colour TV @ 20,000 each.

(e) Returned 1 LED TV to Mr. Martin as it was defective and received payment.

Solution:

Date	Description	Ref. No.	Bill/Cash Received (in ₹)	Cash Paid (in ₹)	Cash Balance (in ₹)
(a)	Capital amount		5,00,000		5,00,000
(b)	Purchased Furniture			2,056,00	2,94,400
	(₹ 2,00,000 + ₹ 5,600)				
(c)	Purchases: 5 coloured TV @10,000 each. 5 LED @ 18,000 each			1,40,000	1,54,400
(d)	Sales 2 colour TV @ 20,000 each		40,000		1,94,400
(e)	Purchases Returned 1 LED TV to Mr. Shantanu		18,000		2,12,400

OR

(B) Differentiate between Fixed cost and variable cost on the below basis :

Basis: Meaning, Dependent, Formula, Expressed, example, curve,

Basis	Fixed Cost	Variable Cost
Meaning	Fixed cost is one which does not vary in total when the level of output by the business does vary. In other words, if the sales level within a business increases or decreases, fixed costs in total, would not increase nor decreases.	Variable cost is that which varies in direct proportion to changes in the level of output by the business. In other words, if the sales level within a business increases or decreases, variable cost also increases or decreases respectively.
Examples	Fixed cost for a business is the cost associated with the rent or ownership of premises, insurance, and costs associated with the ownership of equipment.	The costs corresponding to variable factors are described as variable costs. These costs are incurred on raw materials, ordinary labour, transport, power, fuel, water, etc. which directly vary in the short runs. An example of a variable cost for a bakery would be the cost of flour.
Dependent	As fixed costs are not dependent upon the level of output (sales) and it is unavoidable cost.	It is totally dependent upon the level of output.
Expressed	It is always expressed as being per period of time, like Annual sales, Weekly Sales or Monthly Sales.	It should be able to be expressed per item of output or sales.
Formula	Fixed Cost = Total Cost – Variable Cost	Variable Cost = Total Cost – Fixed Cost
Curve	Fixed cost curve is a horizontal straight line parallel to X-axis signifying that when output increases fixed cost remain constant.	Variable cost curve is upward sloping showing that as output increases variable cost also increases.

ALL THE BEST