

**ANSWER KEY & MARKING SCHEME · CBSE CLASS 12**

# Entrepreneurial Opportunity

Entrepreneurship · Chapter 1 · Use this with the Board Paper · Companion to Quick Drill

**HOW TO USE**

Attempt the Board Paper first (closed-book, full time). Then come here. For 2-mark+ questions, compare your answer to the model. For 3-4 mark questions, also consult the **Topper Templates** below — these show the exact step-by-step structure that scores full marks per CBSE marking-scheme conventions.

**MODEL ANSWERS · BOARD PAPER**
**Section A — Short (2 × 4 = 8 marks)**
**Q1. Differentiate between an IDEA and an OPPORTUNITY with one example each. [2 marks]**

**Ans:** Idea = unvalidated thought ('open a café'). Opportunity = thought passing viability/feasibility/fit tests ('30-min doorstep grocery in Gurgaon with ₹400 CAC vs ₹6000 LTV').

**Q2. What does PESTEL stand for? [2 marks]**

**Ans:** Political · Economic · Social · Technological · Environmental · Legal — six dimensions of the macro-environment.

**Q3. Name any four sources of entrepreneurial opportunities. [2 marks]**

**Ans:** Problems, changes in environment, innovations/inventions, hobbies + observations, demographic shifts, government policies (any 4).

**Q4. What are the four dimensions of feasibility analysis? [2 marks]**

**Ans:** Market, Technical, Financial, Regulatory/Legal.

**Section B — Medium (3 × 4 = 12 marks)**
**Q5. Discuss three contrasts between an IDEA and an OPPORTUNITY. [3 marks]**

**Ans:** (1) Maturity: idea unvalidated, opportunity validated. (2) Viability: ideas abundant, opportunities scarce. (3) Action: idea is mental, opportunity is in marketplace.

**Q6. Explain any three sources of opportunities with Indian examples. [3 marks]**

**Ans:** (1) Problems → Ola for traffic. (2) Changes → Paytm post-demonetisation. (3) Innovations → Ather for EV. (Other valid options: observations, hobbies, demographics.)

**Q7. Why must environment scanning be continuous? Give an example of a business that suffered due to one-time scanning. [3 marks]**

**Ans:** Environment shifts constantly (policy, tech, demographics). One-time scanning leaves a business unable to adapt to shifts. Example: traditional taxi companies that did not scan smartphone+app technology lost market to Ola/Uber.

**Q8. Apply the feasibility framework to a startup proposal: doorstep medicine delivery in tier-2 cities. [3 marks]**

**Ans:** MARKET: rising elderly population + chronic-disease prevalence + tier-2 underserved → demand exists. TECHNICAL: requires pharma licence, last-mile delivery infrastructure, cold-chain for some meds. FINANCIAL: low margins (~12% pharma); requires volume + repeat customers; CAC ~₹500 vs LTV ~₹3000 over 18 months. REGULATORY: requires drug-license retail + e-pharmacy compliance per central regulation. ALL FOUR feasibilities must pass.

**Section C — Long (5 × 2 = 10 marks)**
**Q9. Explain the PESTEL framework with one Indian real-world example per letter. [5 marks]**

**Ans:** P — GST 2017 → accounting-software opportunity. E — rising middle-class income → organised retail. S — health-consciousness → organic food brands. T — Jio 2016 cheap data → food delivery, EdTech, payments. E — 500 GW renewable target by 2030 → solar EPC startups. L — Patent Act amendments → pharma generic industry.

**Q10. Case study: A young entrepreneur observes that schools in her city lack reliable transport for children of working parents. She wants to start a school-cab service. Identify the SOURCE of this opportunity, apply PESTEL scanning, and assess feasibility along all four dimensions. [5 marks]**

**Ans:** SOURCE: Observation + Demographics (rising dual-income families). PESTEL — P: school-transport licensing rules; E: spending capacity of dual-income families; S: rising women in workforce; T: GPS-tracking apps for parent visibility; Env: vehicle emissions norms; L: child-safety regulations. FEASIBILITY — Market: large demand (city has 200+ schools, 50k+ daily students); Technical: minivans + GPS + driver hiring; Financial: ~₹150/day ticket × 500 students = ₹75k/day vs ₹40k/day cost; Regulatory: school-transport licence + child-safety norms + driver verification.

★ TOPPER ANSWER TEMPLATES

3 TEMPLATES · MEMORISE THE FORMAT

★ TOPPER TEMPLATE — 5 marks: Explain the PESTEL framework for environment scanning in entrepreneurial opportunity recognition.

Annual

<b>Step 1</b> [0.5 mark]	<b>Define environment scanning</b>	ENVIRONMENT SCANNING is the systematic identification, monitoring, and analysis of external forces that influence business opportunities and threats. PESTEL is the most widely used framework for this scanning — six categories that together cover the macro-environment.
<b>Step 2</b> [1 mark]	<b>POLITICAL + ECONOMIC</b>	POLITICAL — government policies, stability, tax structure, foreign investment rules. Example: GST simplification (2017) created opportunities for accounting software startups. ECONOMIC — GDP growth, inflation, interest rates, consumer income, exchange rate. Example: rising middle-class income created opportunity for organised retail (Reliance Fresh, Big Bazaar).
<b>Step 3</b> [1.5 marks]	<b>SOCIAL + TECHNOLOGICAL</b>	SOCIAL — demographics (population age structure, urbanisation), education levels, lifestyle changes, cultural shifts. Example: rising health-consciousness in urban India created opportunities for organic food brands. TECHNOLOGICAL — innovation pace, digitisation, automation, internet penetration, AI/ML availability. Example: cheap mobile data (post-2016 Jio launch) enabled food delivery (Zomato, Swiggy), payments (Paytm, UPI), and EdTech (Byju's) ecosystems.
<b>Step 4</b> [1.5 marks]	<b>ENVIRONMENTAL + LEGAL</b>	ENVIRONMENTAL — climate change, sustainability pressure, eco-regulation, energy transition. Example: solar-energy mandates in India created opportunities for solar-panel installation companies and battery storage startups. LEGAL — labour law, intellectual property, taxation, consumer protection, contract law, sector-specific regulation. Example: the Patent Act amendments enabled India's pharmaceutical generic-drug industry; the Companies Act 2013 standardised CSR spending, creating opportunities for social-impact consultancies.
<b>Step 5</b> [0.5 mark]	<b>Conclusion — why all six together</b>	No single PESTEL dimension is sufficient — an opportunity that passes economic + technological tests can still fail on legal grounds (e.g., cryptocurrency businesses in India). Entrepreneurs SCAN all six dimensions, and CONTINUOUSLY (not once-off) because each shifts over time. Successful businesses are those that anticipated PESTEL changes; failed ones missed the shift.

**COMMON LOSS OF MARKS:**

- Forgetting one or two of the six letters (most often Environmental or Legal).
- Not giving an example for each dimension.
- Treating PESTEL as a static checklist rather than a continuous-scanning framework.

★ **TOPPER TEMPLATE — 3 marks: Differentiate between an IDEA and an OPPORTUNITY with examples.**

Annual

<b>Step 1</b> [1 mark]	<b>Define each term</b>	An IDEA is any thought or notion about a possible product, service, or business — 'I could open a café'. An OPPORTUNITY is an idea that has been ASSESSED and found to be viable (people will pay), feasible (deliverable with available resources), and aligned with the entrepreneur's capability.
<b>Step 2</b> [1 mark]	<b>Three contrasts</b>	(1) MATURITY — an idea is unvalidated; an opportunity has passed initial scanning. (2) VIABILITY — ideas are abundant and most fail commercial tests; opportunities are scarce. (3) ACTION — an idea exists in the mind; an opportunity exists in the marketplace. Not every idea graduates into an opportunity; an entrepreneur's skill is in filtering.
<b>Step 3</b> [1 mark]	<b>Two examples</b>	IDEA: 'I will start a doorstep grocery delivery in Delhi.' This is just a thought. OPPORTUNITY: 'Doorstep grocery delivery in Delhi using a 30-min promise to dual-income families in Gurgaon — competition exists but service quality is patchy, my technology platform can route orders in 20 min, customer-acquisition cost is ₹400 vs LTV ₹6000.' The opportunity layer adds CUSTOMER + GAP + ECONOMICS to the idea.

**COMMON LOSS OF MARKS:**

- Just giving definitions without contrasts and examples.
- Saying 'idea is small, opportunity is big' — that's not the distinction.
- No specific business example — examiners reward concrete cases.

★ **TOPPER TEMPLATE — 4 marks: Discuss any four sources of entrepreneurial opportunities.**

Annual

<b>Step 1</b> [1 mark]	<b>PROBLEMS in society</b>	PROBLEMS that customers experience are the richest source of opportunity. A traffic problem → opportunity for ride-sharing (Ola). A grocery-delivery problem in lockdown → BigBasket and Dunzo. The pattern: identify a frustration, design a solution, charge for it. Many of the world's most valuable companies were built by entrepreneurs who lived the problem themselves.
<b>Step 2</b> [1 mark]	<b>CHANGES in environment</b>	Major CHANGES — political, economic, social, technological — create gaps between what was offered and what is now needed. GST simplification → accounting-software startups. Smartphone penetration → mobile-banking apps. Demonetisation → digital payment platforms (Paytm exploded). The entrepreneur reads the change early and positions a business to fit the new landscape.
<b>Step 3</b> [1 mark]	<b>INNOVATIONS + INVENTIONS</b>	Technical INVENTIONS open new product/service possibilities. AI image generation → graphic-design startups. Blockchain → cryptocurrency exchanges. mRNA vaccine platforms → biotech startups. Lithium-ion battery improvement → electric vehicles. The entrepreneur converts a technological advance into a commercial offering.
<b>Step 4</b> [1 mark]	<b>OBSERVATIONS + HOBBIES + EXPERIENCES</b>	Everyday OBSERVATIONS reveal unmet needs invisible to those outside the situation. Parents observing the lack of safe school transport → school-cab services. A traveller observing slow visa processes → visa-consulting firms. Hobby + observation often combine: a coffee enthusiast notices poor café quality in their city → opens a specialty coffee chain. Personal experience is often the cheapest market research.

**COMMON LOSS OF MARKS:**

- Listing four sources without explaining or giving examples (each carries 1 mark).
- Repeating the same example for different sources.
- Confusing 'source' with 'characteristic of opportunity' — they are different concepts.

**MARKING SCHEME — GENERAL NOTES**

- PESTEL: each letter must be named in correct order + one example.
- Idea vs Opportunity: definitions + contrasts + examples all needed for full marks.
- Sources: must be supported by real-world Indian examples (Ola, Paytm, Zomato, etc.).
- Feasibility: name all 4 dimensions; partial answers (only financial) lose 2-3 marks.
- Case studies: walk through framework step-by-step (source → scan → feasibility → recommendation).