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SOLUTIONS BOOK

CLASS 9

Social Science · Understanding Society

CHAPTER 6

From Ideas to Startups

Complete Questions and Activities Solutions

In-text Questions

Questions and Activities

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Every question is followed by its answer. Question numbers above are clickable and the PDF bookmarks panel lets you jump to any exercise set or question. Figures are reproduced from the NCERT textbook (© NCERT) for educational use.

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6.1

CLASS 9 SOCIAL SCIENCE · CHAPTER 6

In-text Questions

Solutions · 11 questions

Directions (Questions 1–11): These are the questions that appear inside the chapter (The Big Questions, the story box, Think About It and Let's Explore), numbered in the order in which they appear. Many are open-ended; model answers based on the chapter are given, and you may add examples from your own surroundings.

QUESTION 1 *The Big Questions · p. 125*

How does entrepreneurship impact society and the economy?

ANSWER

Entrepreneurship is the process through which individuals, or a group of individuals, convert a potential idea into a business venture. Such ventures benefit people and the economy in many ways (Fig. 6.13).

a Contributions of businesses (Fig. 6.13)

Contribution	What it means
Improving quality of life	Medicines, transportation, technology and innovations make life better
Creating jobs and income	Employment for households
Paying taxes to the government	Taxes fund roads, schools and hospitals
Producing goods and services	Boosts economic activity
Making innovations	Drives economic growth and offers solutions
Corporate Social Responsibility	Education, environment and healthcare

b Examples from the chapter

- **Lijjat:** started in 1959 by seven homemakers with ₹80; by 2023 it had over 45,000 women members, 83 branches and an annual turnover of ₹1,600 crore, helping thousands of women become financially independent.

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- **Oberoi Group:** grew from a small hotel bought in 1934 into one of the world's most respected hotel brands.
- **Startups:** India is the third-largest startup ecosystem in the world, with around 120 unicorns in 2025, creating jobs, supporting sustainability and driving economic growth.
- **Nation-building:** Startup India supports the vision of Atmanirbhar Bharat, and entrepreneurship will play a vital role in the vision of Viksit Bharat 2047.



Fig. 6.13. Contribution of businesses to society and economy

Therefore, entrepreneurship creates jobs, goods and innovations, brings in taxes and supports society through social responsibility.

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QUESTION 2 *The Big Questions · p. 125*

What are some functional areas of a business?

ANSWER

Departments or groups within a company that focus on distinct tasks and shared skills are called functional areas. Every successful business runs on four key pillars (Fig. 6.9).

a The four functional areas

Functional area	Key focus	Examples	In a bakery
Management and Operations	Efficient processes and smooth operations	Production, quality, supply chain	Choose equipment, arrange ingredients, monitor quality, plan daily production
Finance and Accounting	Financial health and smart budgeting	Budgeting, reporting, cash flow	Pay fixed and variable costs, invest in growth, manage profits and cash flow, keep records
Human Resources	Right people and skills	Hiring new staff, managing employee benefits, handling workplace conflict resolution	Hire bakers, helpers, cleaners and a cashier; train staff in hygiene and baking standards
Marketing and Sales	Customer awareness and business growth	Advertising, promotions, sales	Choose a catchy name, promote on social media, offer discounts

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Fig. 6.9. Functional areas of a business

Therefore, management and operations, finance and accounting, human resources, and marketing and sales are the four functional areas that work together for success.

QUESTION 3 *The Big Questions · p. 125*

How to develop a business plan?

ANSWER

A business plan is a written document, a blueprint explaining the goals of the business and the steps to achieve them. It is prepared by exploring the eight aspects of Fig. 6.6; the bakery example of the chapter is used below.

a Eight aspects of a business plan (Fig. 6.6)

Aspect	Questions to ask	Bakery example
1. Needs and idea	What do people need? Can it be produced? What problem does it solve?	Do customers prefer fresh bread, cakes, pastries or whole wheat products? Will the bakery offer fresh, affordable or unique goods?

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Aspect	Questions to ask	Bakery example
2. Potential customers	Who will use the product or service? Young adults, children, elderly?	Cakes and cupcakes for children, savoury snacks for young adults, everyday breads for families
3. Money and costs	How much money is needed? What are the costs? What are the funding sources?	Oven, rent, salaries, ingredients, packaging; funds from savings, bank loans, friends, relatives or investors
4. Location	Where will it be made? Where will it be sold: at a store or online?	A busy area near schools, colleges or markets; online or mobile app orders
5. Human resources	How many people are needed? What skills are required?	Bakers, helpers, and staff for billing or delivery
6. Pricing and profits	What will the price be? How much profit can be made?	Prices that cover costs and give profit but stay affordable; cheaper mini cake jars
7. Promotion or marketing	How will it be advertised: TV, social media or print ads?	Social media, posters, special offers; attractive packaging; good customer service
8. Challenges and risks	What are the threats to operations or causes of loss?	High competition, rising cost of raw materials, changing preferences, volatile cash flows

b Why a business plan is useful

- It guides the entrepreneur from the initial idea stage to successfully starting and running the business.
- It serves as a guide and roadmap for decision making, helping the entrepreneur stay organised, set priorities and work systematically to grow the business.

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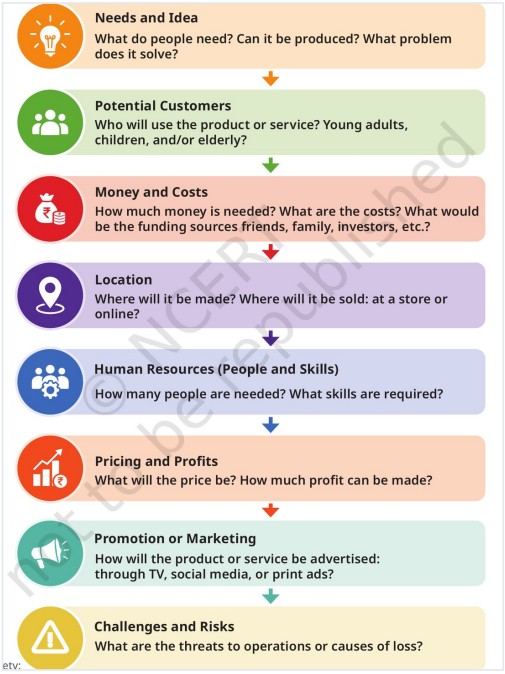


Fig. 6.6. Key considerations in making a Business Plan

Therefore, a business plan is a roadmap built by answering questions on needs, customers, money, location, people, pricing, promotion and risks.

QUESTION 4 *From a Dead Mouse to Riches · p. 127*

The story above is from the famous Jataka Tales. What can you take away from the tale? Is it about spotting opportunities or working smart? What kind of traits do you think entrepreneurs need to have? Discuss with your classmates.

ANSWER

The tale is about both: spotting an opportunity and working smart. A dead mouse sold for two coins became the start of a fortune because the young man worked hard and used his brain.

a What we can take away

- **Spot opportunities:** he saw a need in every situation: a shopkeeper whose cat was hungry, a tired flower picker, branches fallen after a storm and horse dealers who needed grass.
- **Start small and reinvest:** with the first two coins he bought fruits and water, then flowers, and grew his earnings step by step.

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- **Work smart:** he tested the merchant's words with hard work and intelligence, moving from one trade to the next until he did business with foreign merchants.
- **Give back:** out of gratitude he gave the merchant half his fortune and used his wealth to help communities in the city.

b Traits entrepreneurs need

Trait	How the story shows it
Observation and curiosity	Noticed needs that others ignored
Initiative and willingness to take risks	Acted on the merchant's words with nothing but a dead mouse
Hard work and dedication	Kept growing his small earnings step by step
Intelligence and resourcefulness	Turned fallen branches into firewood and fruits into flowers
Gratitude and social responsibility	Gave half his fortune to the merchant and helped communities



Fig. 6.3. Clearing fallen branches to sell as firewood

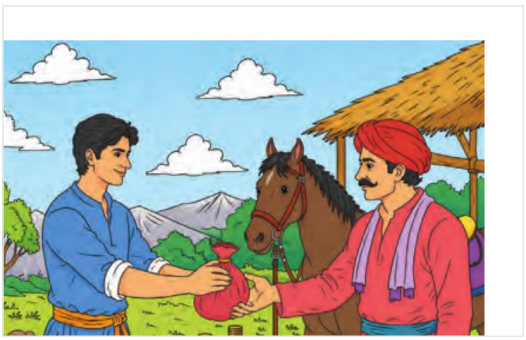


Fig. 6.4. Giving the merchant half the fortune

Therefore, entrepreneurs spot opportunities, work smart, persevere and give back to society.

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QUESTION 5 *Think About It · p. 128*

What problem was Lijjat solving beyond just selling papads?

ANSWER

Beyond selling papads, Lijjat addressed the need of ordinary homemakers for income, ownership and dignity.

a Problems addressed by Lijjat

Problem	How Lijjat addressed it
Homemakers had no income of their own	Seven homemakers began making and selling papads to earn extra income; by 2023 the cooperative had over 45,000 women members
No business degrees, investors or master plan	They started with borrowed equipment, a recipe and ₹80, relying on grit and unity
Need to earn while managing household work	Each woman took raw dough home, rolled papads between household tasks and returned them by evening
Fair sharing of ownership and profit	A cooperative society in which every member is an equal owner and profits are shared equally regardless of seniority
Education of members' children	Scholarships for the school-going children of members
Financial dependence of women	Thousands of women became financially independent and communities were empowered in a completely self-reliant business



Fig. 6.5. Women of the Lijjat cooperative making papads

Therefore, Lijjat solved problems of income, ownership, flexible work and education for women, beyond selling papads.

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QUESTION 6 *Think About It · p. 128*

What challenges do you think the founders could have faced at the start? How might they have overcome them?

ANSWER

The chapter does not list these challenges, so this is a reasoned model answer based on the story.

a Likely challenges and ways to overcome them

Likely challenge	How they might have overcome it
Very little money (₹80 and borrowed equipment)	Pooled resources, borrowed equipment, started at home with a recipe and reinvested earnings
No business degrees, investors or master plan	Learned by doing, supported one another and stayed united
Keeping the quality same across many women’s work	Made consistent quality a condition for the finished papads returned each evening
Balancing household duties with work	Worked from home at flexible hours, taking raw dough home each morning
Sharing profit fairly among members	Equal ownership and equal sharing of profit regardless of seniority
Growing from a few women to many	Registered as a cooperative society in 1962 and opened branches across India

Therefore, unity, equal ownership, consistent quality and flexible work helped overcome limited money and experience.

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QUESTION 7 *Think About It · p. 128*

Can you think of a similar cooperative idea you could start in your community?

ANSWER

Yes. This is an open-ended question; a model idea is given below. Choose a skill that people in your community already have.

a Model idea: an eco-friendly jute bag cooperative

Point	Plan
Need	Plastic bags harm the environment; shops and families need an alternative (the chapter mentions eco-friendly jute bags that can replace plastic)
Members	Women and youth of the neighbourhood who can stitch or print
How it works	Members stitch bags at home or in a shared room; finished bags are collected and checked for quality
Ownership and profit	Every member is an equal owner and profits are shared equally, as in Lijjat
Customers	Local shops, schools and families
Benefit	Income for members and less plastic waste

b Steps to start

- Identify a need in the community and a skill that members already have.
- Gather members, fix rules on quality and equal sharing of profit.
- Arrange small funds and basic equipment; start on a small scale.
- Register as a cooperative society, as Lijjat did in 1962, and expand step by step.

Therefore, a cooperative can turn shared skills into income, ownership and community welfare.

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QUESTION 8 *Let's Explore · p. 136*

Interview two people in your vicinity who run a business (tailor, shopkeeper, factory owner, etc.) and find out about their journey of starting the business by asking them the following questions:

- Why did they start the business?
- What were the challenges they faced?
- What were the risks taken?
- What did they learn from the process?

ANSWER

This is an activity. Choose two business owners, ask the four questions and record the answers. An illustrative record is given; replace it with what you actually find.

a Model interview record (illustrative)

Question	Business 1: tailor	Business 2: shopkeeper
Why did they start the business?	Had stitching skills and wanted to be self-employed	Families in the lane had no nearby shop for daily needs
What were the challenges they faced?	Few customers at first; money for a machine and rent	Arranging money for stock; competition from a bigger store
What were the risks taken?	Spent savings on a machine and rent before earning anything	Bought stock on credit and risked unsold goods
What did they learn from the process?	Good work and fair prices bring customers by word of mouth	Keep accounts, order the right quantity, treat customers well

b Tips for the interview

- Take permission, be polite and note the answers in the person's own words.
- Compare both interviews: look for common challenges (money, customers, competition) and common traits (hard work, patience, learning).

Therefore, every business journey involves a reason to start, challenges, risks and lessons.

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QUESTION 9 *Let's Explore · p. 136*

Prepare a short report on the tasks an entrepreneur performs at each stage, with reference to Fig. 6.2.

ANSWER

Fig. 6.2 shows five tasks of an entrepreneur. A short model report follows, with examples from the chapter.



Fig. 6.2. Tasks performed by an entrepreneur

a Report: tasks at each stage

Stage	Task (Fig. 6.2)	Example
1	Identifies a problem and is resolute to solve it with an innovative solution	Homemakers needed income, so Lijjat began making papads; Indian artists lacked art materials, so the Dandekar brothers developed them
2	Takes risks by investing money and time	Mohan Singh Oberoi mortgaged his wife's jewellery and invested all his savings to buy a small hotel in 1934
3	Makes key decisions regarding the operation and functioning of the business	Lijjat's founders chose a cooperative with equal owners and consistent quality
4	Combines various factors of production	A bakery brings together premises, bakers and helpers, an oven and money
5	Contributes to the welfare of society with their innovation	Lijjat gives scholarships and has made women self-reliant; the young man of the Jataka tale helped communities

Therefore, an entrepreneur identifies a problem, takes risks, decides, combines resources and contributes to society.

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QUESTION 10 *Let's Explore · p. 136*

Based on the case study of Mohan Singh Oberoi on Page 128, which functional area helped improve the quality of the company's products? How did different functional areas work together to make the business successful? Now that you know about the functional areas of a business, create a business plan for your business idea using the template given on Page 142.

ANSWER

Mohan Singh Oberoi's hotel business shows how functional areas support one another. The three parts are answered below.

i Functional area that improved quality

Human Resources improved the quality of the service: he hired and trained skilled staff to provide excellent hospitality services and constantly worked to improve hotel facilities and guest experiences. **Management and Operations** supported this: his hotels were renovated and operated efficiently to maintain high standards.

ii How the functional areas worked together

Functional area	What Oberoi did	How it helped
Finance and Accounting	Carefully managed the business's finances; mortgaged his wife's jewellery and invested his savings in 1934	Funded purchase, renovation and expansion
Human Resources	Hired and trained skilled staff	Excellent service and guest experience
Management and Operations	Renovated and operated hotels efficiently	High standards of quality
Marketing and Sales	Built a trusted brand known for luxury and quality service; customer satisfaction was the top priority	Attracted and kept guests, bringing income back to the business

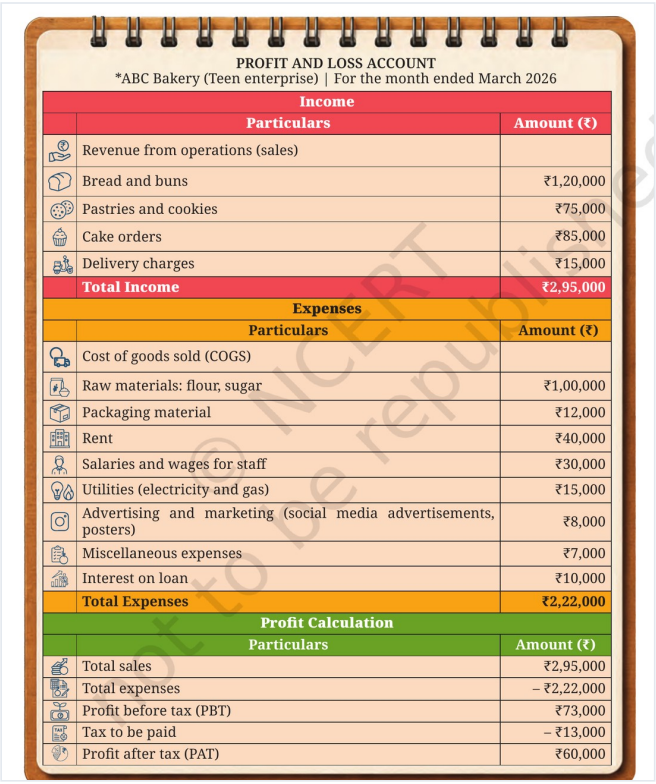
- Together: finance paid for hotels and training; trained staff and efficient operations gave quality; quality built the brand; the brand brought guests and income that funded further growth into a chain, a hotel management school and the Padma Bhushan in 2001.

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iii Model business plan on the p. 142 template: a bakery

Template section	Model entry (illustrative)
a. Business idea	Golden Crust Bakery: bread, buns, pastries, cookies and cakes. Tagline: Fresh every morning
b. Entrepreneur profile	A group of friends; families nearby lack fresh, affordable baked goods, so the bakery solves this
c. Target customers	Students, parents and local residents
d. Market research	Customers need fresh, affordable goods; a few bakeries exist; ours adds whole wheat options, mini cake jars and online orders
e. Product or service	Bread and buns, pastries and cookies, cakes on order; benefit: fresh and affordable
f. Resources required	Bakers, helpers, cashier; savings and a bank loan; flour, sugar, nuts, packaging; oven and mixers; a small shop near a school
g. Operations plan	Buy ingredients, prepare dough, bake, pack, sell in the shop or deliver
h. Marketing plan	Posters, social media, word of mouth, school events, special offers
i. Financial plan	Monthly revenue ₹2,95,000 less expenses ₹2,22,000 gives ₹73,000 profit before tax (as in Fig. 6.11)
j. Risks and challenges	Competition, rising raw material costs, perishable stock, changing preferences
k. Social and environmental impact	Local jobs; recyclable, eco-friendly packaging
l. Conclusion	Fresh, affordable and well-managed products will bring loyal customers

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PROFIT AND LOSS ACCOUNT
*ABC Bakery (Teen enterprise) | For the month ended March 2026

Income	
Particulars	**Amount (₹)**
Revenue from operations (sales)	
Bread and buns	₹1,20,000
Pastries and cookies	₹75,000
Cake orders	₹85,000
Delivery charges	₹15,000
Total Income	**₹2,95,000**

Expenses	
Particulars	**Amount (₹)**
Cost of goods sold (COGS)	
Raw materials: flour, sugar	₹1,00,000
Packaging material	₹12,000
Rent	₹40,000
Salaries and wages for staff	₹30,000
Utilities (electricity and gas)	₹15,000
Advertising and marketing (social media advertisements, posters)	₹8,000
Miscellaneous expenses	₹7,000
Interest on loan	₹10,000
Total Expenses	**₹2,22,000**

Profit Calculation	
Particulars	**Amount (₹)**
Total sales	₹2,95,000
Total expenses	– ₹2,22,000
Profit before tax (PBT)	₹73,000
Tax to be paid	– ₹13,000
Profit after tax (PAT)	₹60,000

Fig. 6.11. A sample profit and loss account for ABC bakery

Check of Fig. 6.11	Amount (₹)
Total income: 1,20,000 + 75,000 + 85,000 + 15,000	2,95,000
Total expenses: 1,00,000 + 12,000 + 40,000 + 30,000 + 15,000 + 8,000 + 7,000 + 10,000	2,22,000
Profit before tax = 2,95,000 − 2,22,000	73,000
Profit after tax = 73,000 − 13,000	60,000

Therefore, the functional areas work together, and a business plan joins them into one roadmap.

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QUESTION 11 *Let's Explore · p. 137*

Find out more about other regional communities who have excelled as entrepreneurs.

ANSWER

Entrepreneurship in India has deep roots among traditional communities, whose skills and occupational knowledge passed down through generations. Some examples are given below.



Fig. 6.12. A traditional Chettiar home

a Some entrepreneurial communities

Community	Region	Known for
Nattukottai Chettiar (from the chapter)	Tamil Nadu	Traders, bankers and moneylenders working across India, Sri Lanka, Burma, Malaysia and Southeast Asia; trust-based lending, accounting skills, reinvesting in temples, education and welfare
Marwari	Rajasthan	Merchant families who spread across India; business houses such as the Birlas and the Bajajs
Parsi	Gujarat and Mumbai	Pioneers in industry and trade; Jamsetji Tata began the Tata group in 1868
Gujarati trading communities	Gujarat	A long tradition of trade, seen in Ahmedabad's textile mills and Surat's diamond industry

b What they have in common

- Skills and occupational knowledge passed down through generations.
- Trust, business ethics and good record keeping.
- Risk-taking, discipline and long-term vision; profits reinvested in trade and community.
- Confirm further details from your library or local elders before presenting.

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Therefore, many regional communities built enterprise through inherited skills, trust and long-term vision.

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6.2

CLASS 9 SOCIAL SCIENCE · CHAPTER 6

Questions and Activities

Solutions · 12 questions

Directions (Questions 1–12): These are the Questions and activities at the end of the chapter (page 140). Answer each in your own words using the points given.

QUESTION 1

Explain why a business can fail even with a great idea if one functional area [finance, human resources (HR), operations, or marketing] is weak. If you were running a bakery, which functional area would you prioritise first and why?

ANSWER

A business works like a team: each functional area depends on the others, so one weak area can pull the whole business down even if the idea is great.

a Effect of a weak functional area (bakery)

Weak area	What goes wrong	Result
Finance	No budget or cash-flow control; rent, ingredients and salaries cannot be paid; prices set without knowing costs	Runs out of money and closes, though the cakes are loved
Human Resources	Untrained or unmotivated staff; poor hygiene; staff leave	Quality and service fall; customers leave
Operations	Poor planning of daily production; delays and wastage	Stale or late products and losses
Marketing	Nobody knows about the bakery; no offers or online presence	Low sales despite a great product

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b Which area first?

Finance and Accounting. The chapter says a business needs a robust financial start: estimating the initial investment (oven, rent, staff salaries, ingredients, packaging), deciding how funds will be arranged and planning expenses. Without money, equipment cannot be bought, staff cannot be hired and ingredients cannot be purchased, so the other areas cannot begin. Records of revenue and expenses also show whether there is a profit or a loss.

- Another area (for example operations, for fresh products) may be chosen if the reason is clearly given.

Therefore, weakness in any one area can sink a good idea; for a bakery, finance is the first priority.

QUESTION 2

Do you think innovation alone is enough to make a business successful? Why or why not?

ANSWER

No. Innovation gives a business a fresh idea, but success needs much more.

a What a business needs besides innovation

Need	Why it matters
Planning	A business plan sets goals, costs, prices and customers
Finance and accounting	Money is needed to start and grow; records show profit or loss
People and operations	Skilled staff and efficient production deliver consistent quality
Marketing	Customers must know about the product and be convinced to buy
Perseverance	Some startups struggle or close down; each failure teaches lessons

b Evidence from the chapter

- Oberoi’s journey shows that entrepreneurship is not only about a good idea; it involves planning, teamwork, decision making and effective management of different areas.
- Lijjat succeeded through unity, equal ownership and consistent quality, not just through a product.

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c Role of innovation

- Innovation helps a business stand out and solve real problems, but it must be backed by the functional areas.

Therefore, innovation is important but not enough; planning, money, people, operations and marketing are also needed.

QUESTION 3

“A business plan is a dynamic roadmap for a startup.” Explain this statement with suitable examples. When should one change the business plan?

ANSWER

A roadmap shows the route from the idea stage to running the business. It is dynamic because the route may need to change when the situation changes.

a Meaning with examples

- The plan sets goals and steps, but markets, costs and customers keep changing, so it must be reviewed and updated.
- **Bakery:** if customers ask for healthier options, add whole wheat products; if sales are low, offer cheaper mini cake jars or take online orders.
- **Dandekar brothers:** began with ink powder, then moved to art materials after seeing artists lacked them, and expanded into pencils, crayons, geometry boxes and paints.
- **Lijjat:** grew from papads to flour, masalas and soaps, and began exports.

b When to change the plan

Situation	Change to make
Rising cost of raw materials	Revise prices, suppliers or costs
Changing customer preferences	Change or add products
High competition	Revise marketing, pricing or offers
Volatile cash flow or losses	Rework the finance plan; cut costs; arrange funds
A new opportunity or need	Add products, a new location or online sales

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Therefore, a business plan guides the business but must be changed when conditions change.

QUESTION 4

Do you think every entrepreneur should think about the impact of their goods or services on society and the environment? Explain using relevant examples.

ANSWER

Yes. Every business uses people and natural resources, so every entrepreneur should think about the impact of what they make and sell.

a Why it matters

- Entrepreneurs are driven by a commitment to creating value for society.
- Businesses show responsibility through corporate social responsibility in education, environment and healthcare (Fig. 6.13).
- Caring for people and the environment builds trust and lasting success.

b Examples

Example	Impact
Eco-friendly jute bags replacing plastic	Less plastic waste
Recyclable packaging for a bakery	An eco-friendly practice
Lijjat's scholarships and work for women	Education and empowerment
Medicines, transport and technology (Fig. 6.13)	Better quality of life
The Jataka young man using wealth for the city	Community welfare

Therefore, entrepreneurs should consider society and the environment so that their success benefits everyone.

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QUESTION 5

In 1931, two brothers, Digambar and Govind Dandekar, started a small business in South Mumbai selling ink powder. They began with limited resources, using recycled glass bottles to sell liquid ink. At first, they faced financial problems and struggled to convince customers to trust their products. Instead of giving up, they focused on providing good-quality stationery at affordable prices. As the business grew, they noticed that artists in India did not have access to good art materials. Seeing this as an opportunity, they travelled to Glasgow to study colour chemistry and improve their products. After returning to India, they set up a laboratory to develop colours and art supplies suited to Indian needs. Over time, the company expanded into pencils, crayons, geometry boxes, and paints, eventually becoming a well-known brand.

- What entrepreneurial qualities did the Dandekar brothers display?
- What opportunity did they identify in the market?
- Was travelling to Glasgow a risky decision?
- Which functional area helped the company improve its products?
- How did they serve society apart from earning profits?

ANSWER

The story of the Dandekar brothers shows entrepreneurship in action. Each part is answered below.

a Answers

Question	Answer
Qualities displayed	Perseverance (they did not give up despite money problems and lack of trust); focus on quality and affordability; spotting opportunities; willingness to learn; innovation; risk-taking
Opportunity identified	Artists in India did not have access to good art materials, so there was room for quality colours and art supplies suited to Indian needs
Was Glasgow risky?	Yes, a calculated risk: it cost money and time away from the business and success was not guaranteed. It was worth taking because the knowledge of colour chemistry improved their products
Functional area	Management and Operations (production and quality): the laboratory developed colours and art supplies and improved the products
Service to society	Good-quality stationery at affordable prices; art materials for Indian artists; useful products such as pencils, crayons and geometry boxes

Therefore, the Dandekar brothers combined perseverance, opportunity spotting, calculated risk and quality to build a brand that served society.

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QUESTION 6

How do you think entrepreneurship is important for India’s goal of becoming a developed nation by 2047?

ANSWER

Viksit Bharat 2047 is the Government of India’s vision to transform India into a fully developed nation by 2047, marking 100 years of independence. Entrepreneurship supports it in many ways.

a How entrepreneurship helps

Contribution	How it helps
Employment	Businesses and startups create jobs
Innovation	Startups work in e-commerce, fin-tech, health-tech and agri-tech
Empowering communities	Lijjat made thousands of women financially independent
Self-reliance	Supports Atmanirbhar Bharat: self-sustaining country, domestic manufacturing, less import dependency
Economic growth and taxes	Goods and services boost activity; taxes fund roads, schools and hospitals
Sustainability	Eco-friendly products and responsible practices

b Facts from the chapter

- India is the third-largest startup ecosystem in the world, with around 120 unicorns in 2025.
- Major startup hubs: Bengaluru, Hyderabad, Mumbai and Delhi NCR.

Therefore, entrepreneurship creates jobs, innovation and self-reliance, which are needed for a developed India by 2047.

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QUESTION 7

Choose a product or service and develop a business plan for it using the following template:

- Business name
- Business idea
- Target customers
- Product/service and price
- Marketing idea
- Basic cost and expected profit

ANSWER

Model plan: a nimbu pani (lemonade) stall at a school annual festival, as in the 'Young Entrepreneurs Challenge' at the start of the chapter. Figures are illustrative.

a Business plan

Template item	Plan
Business name	Fresh Sip Nimbu Pani Stall
Business idea	Sell freshly made nimbu pani to visitors at the school annual festival
Target customers	Parents and children visiting the stall
Product/service and price	Nimbu pani, ₹15 per glass
Marketing idea	A colourful poster at the entrance, an offer for families and word of mouth from classmates
Basic cost and expected profit	See the calculation below

b Cost and expected profit

Item	Amount (₹)
Lemons	600
Sugar	250
Glasses	500
Ice	300
Water and other items	150
Poster	100
Total cost (600 + 250 + 500 + 300 + 150 + 100)	**1,900**

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Item	Amount (₹)
Expected sales: 200 glasses × ₹15	3,000
Expected profit = 3,000 − 1,900	**1,100**

Therefore, with a cost of ₹1,900 and sales of ₹3,000, the stall can earn an expected profit of ₹1,100.

QUESTION 8

Find out about various government schemes to promote entrepreneurs in India. Learn about the eligibility requirements of these schemes. Prepare a write-up and discuss in the class.

ANSWER

Several schemes support entrepreneurs. Four are summarised below from official and bank sources checked in 2026; details can change, so confirm on the official portal before applying.

a Schemes and eligibility

Scheme	What it offers	Key eligibility
Startup India (DPIIT recognition)	Official startup recognition and access to benefits such as tax benefits and easier public procurement; supports Atmanirbhar Bharat	Indian business entity within 10 years of incorporation (20 for deep tech), turnover not above ₹200 crore (₹300 crore deep tech) in any year, working on an innovative product, process or service
PM MUDRA Yojana	Collateral-free loans: Shishu up to ₹50,000; Kishor ₹50,001 to ₹5 lakh; Tarun ₹5 to ₹10 lakh; Tarun Plus ₹10 to ₹20 lakh	Indian citizens with a non-farm business in manufacturing, trading or services needing credit up to ₹20 lakh; Tarun Plus only for those who repaid a Tarun loan
PMEGP	Subsidy of 15% to 35% of project cost for new micro-enterprises; maximum project cost ₹25 lakh (manufacturing), ₹10 lakh (service)	Age 18 or above; at least Class 8 pass for manufacturing projects above ₹10 lakh and service projects above ₹5 lakh; new projects only; own contribution 5% to 10%
Stand-Up India	Bank loans of ₹10 lakh to ₹1 crore for a first-time (greenfield) enterprise	Women and SC/ST entrepreneurs aged 18 or above; at least 51% ownership with such entrepreneurs; scheme was extended up to FY 2025, so check its present status

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b Points for class discussion

- Which scheme suits a small bakery or jute bag unit (MUDRA or PMEGP) and which suits an innovative tech startup (Startup India)?
- Check the official portals (for example startupindia.gov.in, mudra.org.in and kviconline.gov.in).

Therefore, government schemes give recognition, loans and subsidies, each with its own eligibility rules.

QUESTION 9

Take any popular brand and identify:

- The problem it tackles
- Its initial target customers
- How it differentiated itself from other competitors or brands
- The resources it may have started with

ANSWER

Model answer using Amul, which began in Anand, Gujarat in 1946.

a Amul

Point	Amul
Problem it tackles	Dairy farmers of Kaira district were exploited by middlemen and a private dairy and needed a fair price and proper marketing for their milk
Initial target customers	Milk consumers in Bombay (now Mumbai); pasteurised milk was supplied to the Bombay Milk Scheme from 1948
How it differentiated itself	Owned by the farmers themselves as a cooperative, with fair prices to producers and professional management
Resources it started with	Two village cooperative societies and about 250 litres of milk a day; leadership of Tribhuvandas Patel, and of Verghese Kurien from 1950

Therefore, Amul grew from a small farmers' cooperative by solving a real problem for producers and consumers.

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QUESTION 10

Over the next week, observe your daily routine at school and home. Identify 2–3 problems or inconveniences you or others face. For each problem, answer the following questions in a tabular format:

- Who faces this problem?
- How often does it occur?
- Why hasn’t it been solved yet?
- What business idea could solve it?
- Would people pay for your solution?

ANSWER

This is an activity. A model table with three problems is given; use your own observations.

a Model table (illustrative)

Question	Long canteen queues	Unused old books and uniforms	Plastic lunch wraps
Who faces this problem?	Students and canteen staff	Parents and students	Students and the environment
How often does it occur?	Every day at recess	Every year at the start of the session	Every day
Why hasn’t it been solved yet?	Few counters and a short break	No organised place to exchange used items	Plastic is cheap and convenient
What business idea could solve it?	Pre-order and token system with packed snacks	Second-hand book and uniform exchange	Reusable cloth or steel lunch wraps
Would people pay?	Yes, a small fee for time saved	Yes, at a low price or small commission	Yes, if durable and fairly priced

Therefore, everyday problems can become business ideas when many people face them and would pay for a solution.

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QUESTION 11

Think of your startup idea and fill in the business plan template given below:

Template: a. Business idea, b. Entrepreneur profile, c. Target customers, d. Market research, e. Product or service description, f. Resources required, g. Operations plan, h. Marketing plan, i. Financial plan, j. Risks and challenges, k. Social and environmental impact, l. Conclusion

ANSWER

Model plan for an eco-friendly jute bag business. Fill in your own idea in the same format. Figures are illustrative.

a Business idea

Field	Entry
Name of the company or shop	GreenThread Jute Bags
Product/service	Stitched jute shopping, lunch and gift bags
Tagline (optional)	Carry green, carry proud

b Entrepreneur profile

Field	Entry
Founder(s)	Three friends from the neighbourhood
Why did you choose this business idea?	Plastic bags are everywhere, while jute is strong and reusable
What problem does your business solve?	Reduces plastic waste and gives people a durable alternative

c Target customers

☑ Students ☑ Parents ☑ Local residents ☐ Tourists ☐ Farmers ☑ Businesses

Describe: families and school parents who want a reusable bag, and shopkeepers in the local market.

d Market research

Question	Findings
What do the customers need?	Strong, low-cost reusable bags that replace plastic
What products or services already exist?	Plastic bags, cloth bags and some branded jute bags in large shops

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Question	Findings
How is your idea different?	Locally stitched, affordable, printed with the buyer's name or logo, bulk orders for shops and schools

e Product or service description

- **Features:** strong jute fabric, sturdy handles, printed designs in three sizes.
- **Benefits:** reusable, eco-friendly, affordable and available on order.

f Resources required

Resource	What is needed and how much?
Human Resources	Three founders and two helpers
Finance	₹60,000 from savings and a small family loan
Materials	Jute fabric, handles, thread, packaging
Technology	Two sewing machines; a phone for orders and digital payments
Infrastructure	A small rented shop-cum-workshop near the market

g Operations plan



h Marketing plan

☑ Posters ☑ Social media ☑ Word of mouth ☑ School events ☑ Local market ☐ Newspapers

i Financial plan

Source(s) of finance: own savings and a small loan from family (₹60,000 in total).

Item (monthly cost)	Cost (₹)
Raw materials (jute fabric, handles, thread)	12,000
Shop rent	5,000
Wages of two helpers	8,000
Electricity	1,500
Marketing	1,000

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Item (monthly cost)	Cost (₹)
Packaging and miscellaneous	1,500
Total cost	**29,000**

Source of income (monthly)	Amount (₹)
Shopping bags: 400 × ₹50	20,000
Gift bags: 150 × ₹100	15,000
Bulk orders: 100 × ₹60	6,000
Printing of names and logos	3,000
Total revenue	**44,000**

Expected profit = Revenue − Cost = 44,000 − 29,000 = ₹15,000

j Risks and challenges

- Rising cost of jute, competition from cheap plastic and other bag sellers, uneven demand and gaps in cash flow.

k Social and environmental impact

- Cuts plastic use, creates jobs for local helpers and encourages reuse.

l Conclusion

- Steady local demand, low costs, a useful eco-friendly product and planned finances make success likely.

Therefore, a complete plan covers idea, customers, resources, operations, marketing, finances, risks, impact and a clear conclusion.

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QUESTION 12

Visit a factory or a production unit.

Explore how a business operates by visiting a factory or production unit that manufactures a product. Prepare questions for the owner or manager, such as: what product does the factory produce; who are its customers; how did the business start; what challenges did the business face in its early years; how does the business manage its finances; how are employees recruited and trained; how are products supplied to wholesalers, retailers, or consumers.
During the visit, observe the production process carefully. Note the resources used, such as raw materials, machinery and technology, workers, and managers. Interact with the owner or manager and record key information. Take notes and photographs (if permitted).
After the visit: understand the manufacturing process and create a process map showing the journey of the product from raw materials to the final customer. Identify barriers to growth, such as financial, technical, human resource, market and regulatory barriers. Recommend some practical solutions through which the business could overcome these challenges. Share your findings by preparing a presentation and a report highlighting your observations, analysis, and recommendations. The format of the report may be as follows: Introduction; Production or service delivery process (with diagrams or flowcharts); Resources required; Barriers identified (supported by observations or evidence); Suggested solutions; Reflection: key lessons learned from the visit.

ANSWER

This is a field activity. A model report is given for a visit to a small bread unit; the details are illustrative, so replace them with your own observations.

a Questions for the owner or manager (model responses for a small bread unit)

Question	Model response (illustrative)
What product does the factory produce?	Bread, buns and biscuits
Who are its customers?	Wholesalers, retailers and nearby households
How did the business start?	Began as a home bakery and moved to a small unit after steady orders
What challenges did the business face in its early years?	Limited money, few customers and irregular supply of flour
How does the business manage its finances?	Keeps daily accounts, reinvests profits and uses a bank loan for machines
How are employees recruited and trained?	Hired locally; trained on the job in hygiene and baking standards
How are products supplied to wholesalers, retailers or consumers?	Delivered each morning by van; some sold at the unit’s shop

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b During the visit

- Observe the production process, and note raw materials, machinery and technology, workers and managers.
- Interact with the owner or manager, record key information, and take notes and photographs (if permitted).

c Process map: raw materials to final customer



d Barriers to growth and practical solutions

Barrier	Example (illustrative)	Practical solution
Financial: lack of capital, difficulty obtaining loans or credit	Cannot afford a second oven	Bank or MUDRA loans; keep proper accounts; reinvest profits
Technical: outdated machinery, limited access to technology	Old mixer and slow packing	Upgrade machines in phases; use simple software for orders and billing
Human Resource: skill shortages, difficulty hiring or retaining workers	Trained bakers leave	Training, fair pay and a motivating workplace
Market: competition, limited access to suppliers or customers	Large brands in shops; distant flour suppliers	Distinct quality and packaging; direct and online sales; bulk purchase from suppliers
Regulatory: complex procedures, licences, approvals, paperwork	Food safety licence and registrations	Keep papers ready; use online registration and seek local guidance

e Report format (model outline)

Section	What to write
Introduction	Name of the unit, product, date of visit, purpose
Production or service delivery process	The process map above, with a short explanation
Resources required	Raw materials, machinery and technology, workers and managers
Barriers identified	The five barriers, supported by what you observed

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Section	What to write
Suggested solutions	Practical solutions for each barrier
Reflection	Key lessons: functional areas must work together; quality, finance and people drive growth

Therefore, a factory visit shows how resources, people and processes combine, and where a business can overcome barriers to grow.

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