

Semester V 17CMU503A

ENTREPRENEURSHIP

Scope in India there is a dearth of quality people in industry, which demands high level of entrepreneurship development programme throughout the country for the growth of Indian economy. The scope of entrepreneurship development in country like India is tremendous. Especially since there is widespread concern that the acceleration in GDP growth in the post reforms period has not been accompanied by a commensurate expansion in employment.

Objective

The purpose of the paper is to orient the learner toward entrepreneurship as a career option and creative thinking and behaviour.

Unit I

Introduction: Meaning- Elements, Determinants and Importance of Entrepreneurship and Creative Behavior- Entrepreneurship and Creative Response to the Society' Problems and at Work- Dimensions of Entrepreneurship – Intrapreneurship – Technopreneurship - Cultural Entrepreneurship - International Entrepreneurship – Netpreneurship - Ecopreneurship, and Social Entrepreneurship

Unit II

Entrepreneurship and Micro, Small and Medium Enterprises: Concept of Business Groups - Role of Business Houses and Family Business in India - Role of Entrepreneurship in Economic Development - Contemporary Role Models in Indian business - Values, Business Philosophy and Behavioural Orientations - Conflict in Family Business and its Resolution

Unit III

Public and Private System: Public and Private System of Stimulation, Support and Sustainability of Entrepreneurship – Requirement - availability -Access to Finance - Marketing Assistance – Technology - Industrial Accommodation - Role of Industries/Entrepreneur's Associations and Self-Help groups - The concept, Role and Functions of Business Incubators, Angel Investors, Venture Capital and Private Equity Fund.

Unit IV

Sources of business ideas and tests of feasibility: Significance of Writing the Business plan - Project Proposal - Contents Of Business Plan/ Project Proposal - Designing Business Processes – Location – Layout - Operation, Planning & Control - Preparation Of Project Report -Project Submission/ Presentation and Appraisal Thereof By External Agencies, Such As Financial/NonFinancial Institutions

Unit V

Mobilizing Resources: Mobilizing Resources for Start-up - Accommodation and Utilities Preliminary Contracts with the Vendors- Suppliers- Bankers- Principal Customers- Contract Management- Basic start-up Problems

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Suggested Readings Text Books: 1. Vasant Desai. (2002) Dynamics of Entrepreneurial Development and Management. Mumbai, Himalaya Publishing House.

Reference Books:

1. Singh, Nagendra P. (2015) Emerging Trends in Entrepreneurship Development. New Delhi: ASEED
2. Khanka, SS (2001). Entrepreneurial Development, S. Chand & Co, Delhi,
3. Ramachandran,K. (2008), Entrepreneurship Development, McGraw-Hill Education
4. SIDBI Reports on Small Scale Industries Sector, 2001 5. Gupta C.B & Srinivasan N.P(2013). Entrepreneurial Development, 5th Edition.

UNIT-I

SYLLABUS

Introduction: Meaning, Elements, Determinants and Importance of Entrepreneurship and Creative Behavior; Entrepreneurship and Creative response to the society's problems and at work; Dimensions of Entrepreneurship: Intrapreneurship, Technopreneurship, Cultural Entrepreneurship, International Entrepreneurship, Netpreneurship, Ecopreneurship, and Social Entrepreneurship

1.MEANING OF ENTREPRENEURSHIP:

Entrepreneurship is the process of designing, launching and running a new business, which is often initially a small business. The people who create these businesses are called entrepreneurs.

Entrepreneurship has been described as the "capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit". While definitions of entrepreneurship typically focus on the launching and running of businesses, due to the high risks involved in launching a start-up, a significant proportion of start-up businesses have to close due to "lack of funding, bad business decisions, an economic crisis, lack of market demand or a combination of all of these.

ELEMENTS OF ENTREPRENEURSHIP:

The two basic elements of entrepreneurship are as follows

1. Innovation
2. Risk bearing

Innovation

Innovation, i.e. doing something new or something different is a necessary condition to be called a person as an entrepreneur. The entrepreneurs are constantly on the lookout to do something different and unique to meet the requirements of the customers. They may or may not be inventors of new products or new methods of production but they possess the ability to foresee the possibility of making use of the inventions for their enterprises.

Innovation is the process of doing new things. This distinction is important. While creativity relates to the ability to conceive, the innovation is doing new things. Ideas have little value until they are converted into useful products or services. Innovation transforms creative ideas into useful applications. Hence, creativity is a pre-requisite to innovation.

As per Schumpeter a person is an entrepreneur only when he is engaged in innovative behavior. This innovative behavior is an entrepreneurial function. According to Schumpeter, entrepreneurship is a creative activity. An entrepreneur is an innovator who introduces something new in an economy. Entrepreneurship is doing things that are generally not done in the ordinary course of business. Innovation may be in:

- Introducing a new manufacturing process that has not yet been tested and commercially exploited.
- Introduction of a new product with which the consumers are not familiar or introducing a new quality in an existing product.
- Locating a new source of raw material or semi-finished product that was not exploited earlier.
- Opening a new market, hitherto unexploited, where the company products were not sold earlier.
- Developing a new combination of means of production.

In order to satisfy the changing preference of customers nowadays many enterprises have adopted the technique of innovation. For instance, pidilite industries innovated the new 5.rs pack of fevi quick which was accepted by the customers as it was easy to use when it was needed. Other example would be of the mobile enterprise which came up with the scheme for the customers of refill pack of Rs. 99 which says “Zindagi bhar mobile raho” which was accepted by the customers. Since customers taste and preferences always keep on changing, hence the entrepreneur needs to apply invention on a continuous basis to meet the customers changing demand for products.

Risk bearing

Entrepreneurship is the propensity of mind to take calculated risks with confidence to achieve a predetermined business or Industrial objective. The capacity to take risk independently and individually with a view to making profits and seizing the opportunity to make more earnings in the market-oriented economy is the dominant characteristic of modern entrepreneurship. In fact he needs to be a risk taker, not risk avoider. His risk bearing ability enables him even if he fails in one succeed.

Entrepreneurship is a process in which the entrepreneur establishes new jobs and firms, new Creative and growing organizations associated with risk – taking by new and creative ideas and entrepreneurship identification of the new opportunities and resources mobilization. It results in introducing a new product or service to society. In Britain encyclopedia entrepreneur means “a person who organizes and manages a job or economic association and receives its risks”

The Japanese proverb says “Fall seven times, stand up eight”. Though the term entrepreneur is often used interchangeably with entrepreneurship, yet they are conceptually different. The relationship between the two is just like the two sides of the same coin. Thus, entrepreneurship is concerned with the performance and co-ordination of the entrepreneurial functions. This also means that entrepreneur precedes entrepreneurship.

DETERMINANTS OF ENTREPRENEURSHIP:

1) Business idea issues

It takes experience to be able to tell whether a business idea is good or not. It also takes some reasoning about what it means for a business idea to be good. For example, building a Google search engine was a good idea in the 1990s, but 99.99% of the population could not execute that idea to the level of quality that would have been required. Similarly, opening a restaurant may be a good business idea for some people, but not for most. So a business idea has to be highly personalized to the entrepreneur to take advantage of their abilities, interests, passions, education, access to capital, connections, and much more.

Quite often, first time entrepreneurs also make the mistake of trying to go too big with the idea right away. Some of the common business idea mistakes are to try to open more than one

business at once, or try to open a business that would require millions of dollars when they only have access to a few thousand dollars with which they can realistically start. It is good to have ambition, but some small wins are needed in order to build on them and go bigger.

2) Lack of finances

Nearly every entrepreneur, has faced this issue at some point. While some businesses can be bootstrapped (operated without a cash injection), most businesses will need a cash injection of some sort to help it get the resources it needs.

In the technology space, people often over focus on investors. But investors are not the only option. In addition to possibly getting an investment, people can try to get donations via crowd funding or various fundraisers, loans, or grants. You can also consider using a funding company like Universal Funding to increase your cash flow.

If cash flow is a critical concern, invoice factoring can help speed up the accounts receivable process for some business operators.

The topic of raising money is complex.

3) Inability to market their business

Another common difficulty people face is not having a great idea of how to market and promote their business. Too often people's idea of a marketing strategy is to post about their business on Facebook, hand out flyers and business cards. While those things are ok to do, a marketing strategy must absolutely be much more refined, savvy, and cover many more options.

Each business needs to have a marketing plan that suits the uniqueness of that business and speaks to the target customer for that business. The topics of understanding your target consumer and creating a marketing strategy that best suits your business are more fully covered within the Marketing, Social Media and Blogging categories here on The Social Media Hat.

4) Not knowing how to plan the business

Business planning has been getting negative attention in the technology space in recent years, and I do not advise people to write a formal business plan unless that is a requirement by someone or some institution. The true value of business planning is to identify the challenges and pitfalls and plan around them before they happen, rather than getting blindsided by them when the business has already been set in motion

In other words, business planning is a way to view the business in a holistic way to help you align the vision for the product that delights the identified target audience, goes after a big-enough market with an effective-enough strategy to earn revenue and turn a profit.

5) Legal questions

Lastly, most entrepreneurs struggle with understanding three key legal themes:

1. How they should structure the business when incorporating.
2. The licences and permits required by their city, county, state and country.
3. The level of protection needed for the business in terms of patents, copyrights and trademarks.

IMPORTANCE OF ENTREPRENEURSHIP:

Entrepreneurship is important because it results in the creation of employment, improved national income, community development while facilitating research and development. Moreover, entrepreneurship promotes innovation, which may lead to social change and better living standards.

Creation of employment

Entrepreneurship firms are one of the largest employers in the world. Small business ventures often provide entry-level jobs and experience for young talents. In addition, the availability of job opportunities increases consumer spending and hence improves the standards of living.

Moreover, the introduction of new goods and services can have a ripple effect on the economy by stimulating the growth of related industries. This in effect results in economic development and creation of employment. For example, the invention of smartphones resulted in job creation in various industries such as retail outlets, phone repair, Internet service provision, software development and manufacturing.

Improved national income

New and improved products, services and technology facilitate the development of new markets in the economy. This translates to more employment opportunities and higher income thus resulting in the collection of more taxes. Increased revenue collection by the government may lead to better service delivery, improved security, and infrastructural development.

Innovation and social change

Entrepreneurship goes beyond research and discovery by commercializing innovation for the greater benefit of the society. Through the provision of unique solutions, entrepreneurs break away from tradition and hence reduce dependence on obsolete systems and technologies. This results in improved quality of life, economic freedom and greater morale for further innovations. For example, the development and commercialization of electric cars may help to reduce carbon emissions and, in essence, manage climate change.

Improved productivity

Entrepreneurship may lead to the development of better methods of production. It enables maximum use of resources, reduces wastage and enables the free flow of labor and raw materials. In this regard, entrepreneurship promotes production efficiency thus resulting in improved productivity. For example, through entrepreneurship, the assembly line was conceptualized and developed. This enabled division of labor and specialization and led to improved industrial productivity.

Community development

Entrepreneurs often nurture entrepreneurial ventures by other like-minded individuals. In addition, they invest in community development projects and local charities in a bid to promote economic development. For example, famous entrepreneurs like Mark Zuckerberg and Bill Gates invest heavily in education, public health and several charities. This sets an example for other upcoming entrepreneurs who would follow suit when they become successful people in the society.

Promotes research and development

Since entrepreneurship may need innovation, innovative ideas of goods and services have to be tested by experimentation. In this regard, businesses and entrepreneurship firms provide universities and research institutions funds for research and development. Funding of such institutions is important for comprehensive research and nurturing of ideas.

Political and economic integration

The idea of a plural society can only be achieved if all stakeholders are involved in nation-building. In this regard, entrepreneurship is an avenue for minorities and migrants to be included in the economy. Such integration of different groups in the society is essential for economic development, political stability and social harmony.

CREATIVE BEHAVIOUR:

MEANING:

Creative behavior possessing an element of newness, novelty and difference.

Creativity is an act, an idea, or product that changes an existing domain, or that transforms an existing domain into a new one, and creative person is who thoughts or actions bring these changes.

IMPORTANCE OF CREATIVE BEHAVIOUR:

1. A creative process is a balance of imagination and analysis. It involves idea generation, analysis and evaluation.
2. Creativity does not stem from subconscious process, as traditionally believed by the classical school of thoughts. It is a purposeful or directed attempt to generate new ideas under a controlled situation to help an organization to leapfrog in competition. Paul E. Plsek (1997) used the term more appropriately as 'Directed Creativity'. It is a purposeful generation of creative ideas with seriousness of its implementation, whenever it matches with organizational requirements. Non-implementation of at least some ideas (that fit the purpose) will inhibit creativity.

Innovation is the implementation of creative ideas. Therefore, creativity is the sub-set of innovation. Innovation being a holistic concept, here we prefer to use the term interchangeably. Competencies, on the other hand, are sets of behaviours, which encompass skills, knowledge, abilities, and attributes.

Competencies are measurable and they change over time. Hamel and Prahalad (1990) attributed business success only on innovative creativity, knowledge resources, and the expertise, which together create the critical potential of an organization, that is, the core competencies.

Other proponents of core competencies such as Quinn (1992), Drucker (1992), Porter (1995), Waterman (1983), Peter (1988), Nonaka and Takeuchi (1995), and Senge (1990), also showed that developing the core competencies helps an organization to build its strategic power. The core competencies are difficult to duplicate by the competitors because of their distinctiveness. Core competencies are, therefore, critical success factors for any organization.

Although there exists, widespread differences regarding constituents of core competencies and its relation with knowledge, skill, abilities, and attributes of employees, there is agreement among the proponents about how these are created by linking the organization's goals, structures, and cultures.

Innovation and creativity help to develop the core competencies, supplementing knowledge and skill base for the employees. In this respect, directed creativity, that is, purposeful generation of new ideas matching the organizational requirements is more relevant.

Innovation, creativity, and competencies are important facilitators for organizational change. Imperatives for organizational change basically stem from redefining the business focus, restructuring, and customer orientation—all for competitive advantages.

ENTREPRENEURSHIP AND CREATIVE RESPONSE TO THE SOCIETY:

1. Entrepreneurial thinking challenges tradition.

The most successful social entrepreneurs challenge themselves to be open-minded and approach problems with a filter that is void of established tendencies and stigmas. They are unconventional thinkers, not limited by the constraints of the systems in place, but instead challenge those systems with fresh ideas and techniques. Don't mistake this objectivity with naivety; entrepreneurs leverage research and data-driven analysis to account for factors and

variables that existing solutions may have overlooked. Their ability to challenge commonly assumed principles or beliefs ushers in a completely new way of thinking.

For example, when Maria Vertkin began Found in Translation, she strove to address two distinct social problems: economic disadvantages faced by minority women, and racial, ethnic, and linguistic disparities in health care. Rather than take the conventional route of providing jobs or vocational training for women, or advocating for improved justice in the health care system, Vertkin challenged traditional thinking.

She recognized the reality that many low-income communities are rich in bi-lingual talent. Coupled with the fact that the medical interpreter workforce is struggling to keep up with the growth of the immigrant population (the demand is increasing so rapidly that the BLS predicts 42.2% employment opportunity growth for translators and interpreters between now and 2020), she created a program that makes it possible for multilingual women with limited financial resources to break into the field of medical interpreting.

2. Entrepreneurial thinking combines creativity with market intelligence.

Entrepreneurial thinking naturally embodies creativity, a boundless imagination as to what is possible. But the most successful entrepreneurial endeavors balance creative solutions with comprehensive market intelligence. Knowledge of the problem and contributing factors empowers entrepreneurs to blend dissimilar concepts from different contexts and craft a new, differentiated or completely unique strategy.

For example, when Earth Enable witnessed that 80% of Rwandans live in homes with dirt floors and that these dirty floors were a major contributing factor to child mortality in the country, they had to get creative with their strategy. A concrete floor would suffice, but a majority of Rwandans cannot afford to install that material.

They sought inspiration from a growing movement in the US, witnessing homeowners installing sustainable earthen floors in their homes. EarthEnable created a floor made of gravel, laterite, fine earthen mix, and oil that is both affordable and safe for children in Rwanda. Healthy floors have been shown to reduce incidence of childhood diarrhea by 49% and to reduce parasitic infections by 78% in the country.

3. Entrepreneurial thinking practices humility.

Humility is a core component of entrepreneurial thinking. It drives even the boldest leaders to challenge their own established tendencies and recognize their potential for continual improvement. Successful entrepreneurs strive for perfection, obsess over learning and iteration and recognize that they can always do better.

“Confronting the hardest problems on the planet requires humility to admit that we don’t know many answers when we start and sometimes we don’t even know the right problem to work on. If we address symptoms rather than root causes, we can exacerbate conditions. If you start with the wrong problem, you’ll certainly propose the wrong solution.”

– Aleem Walji, Director, Innovation Labs, The World Bank

For example, a major aspect of the Pencils of Promise initial strategy was building schools to address a lack of access to education for children in Laos. The organization quickly became known for building hundreds of school around the world. But over time and through their lessons learned, they recognized that the physical structure of a new school is only one piece of providing quality education. As a result, Pencils of Promise is starting to shift its narrative to incorporate a more holistic approach, one that includes a deeper focus on teachers, student outcomes and innovation in the classroom.

4. Entrepreneurial thinking embraces risk and failure.

The social sector has never taken failure lightly – funding protocols, public perception and the significance of the problems being addressed have contributed to a risk-adverse environment. But ideas that drive dramatic change are inherently risky propositions and they present the potential to fail. Entrepreneurial thinking acknowledges that uncertainty and accepts it as a necessary driver of progress.

A number of organizations run by entrepreneurial-minded leaders have pioneered new ideas that put them at risk for huge potential losses. For example, the Prison Entrepreneurship Program and Defy Ventures took bets on the potential of ex-convicts to become savvy business leaders. Immigration Equality and Scouts for Equality confronted deeply-rooted biases and traditions within and against the LGBT community. Partners in Health traveled to an unfamiliar and undeveloped world to build a medical hospital. Invisible Children lead a fight against a warlord

by mobilizing millennials and Liberty in North Korea facilitates the transition of refugees from North Korea to South Korea. These missions are big and bold and dangerous, but the reward is far worth the risk.

5. Entrepreneurial thinking is BIG.

Big problems require big solutions. Entrepreneurs are driven by a “go big, go home” mentality in everything they do, and that is why entrepreneurial thinking is needed more today than ever before. Incremental change is not sufficient, they demand monumental change towards an audacious endgame.

I’m not going to stop the wheel. I’m going to break the wheel.”

For example, when UN Secretary General Ban Ki-moon launched the Zero Hunger Challenge in 2012, the global community was forced to think big. The Challenge was a call-to-action to governments, the private sector, NGOs and the public to eliminate hunger in our lifetimes. Organizations like the Alliance to End Hunger, the Global Alliance for Improved Nutrition, One Acre Fund, World Food Programme, World Vision, and several UN agencies and departments, all stepped up to scale their efforts.

The stated goal of “zero hunger” is audacious, but as World Food Programme’s Executive Director Ertharin Cousin said: “You should not do this work if you’re not audacious.”

DIMENSIONS OF ENTREPRENEURSHIP:

Four dimension are,

Know thyself

If you want to start a company, you must know what you are truly good at. You must feel comfortable under your skin. For instance, are you a technologist or are you a marketing expert? It helps others to collaborate and work with you. People do not change. Your personality is developed during your teenage years. The rest of your life goes towards learning survival mechanisms. I realized early on that I enjoyed helping others whether it was helping my classmates with their homework or whether giving my colleagues new contacts or advice. In my first job at Control Data, I started as a design engineer in the communications division for re-designing recently introduced product in the market, so I could extract efficiency and reduce cost

further. The hardest problem in my job was to get a solid grasp of the customer's reported problems. So, I started holding meetings with members from marketing, sales, and customer support and product groups to get to the heart of problems amidst hide-bound personalities. As a result of my collaborative and helping nature like a peacemaker, I was moved into management and leadership role early in my career.

Know your market

Who is your customer? Is your customer going to buy your product? Do you understand your customer's problems well enough that you can build a solution around it? Can you bring the product to market in a timely manner and get instant customer feedback? Make sure you have the pertinent domain expertise in this area to build the best product. Just because social media is a hot trend does not mean you start a company in that area, when, in fact, your expertise is in semiconductors. For example, recently in Ankeena Networks - a portfolio company, two of the co-founders Rajan Raghavan and Prabakar Sundarajan, came up with an innovative idea for video caching. Before they got started, they talked to over 30 customers to validate the idea and fine tune it to what the precise need was. The company was successfully acquired within 18 months by Juniper Networks. In a healthcare software startup, Quantros, the entrepreneur - a medical doctor wanted to take on the whole healthcare market of payers, providers and drug manufacturers. After entering all three markets, he decided to focus on providers only with a patient safety and risk management solution. With this focus the company became a market leader and was successfully acquired by a private equity firm.

Build the right product

Entrepreneurs should build a point product rather than a platform. It's way hard for a startup to sell a platform solution. In the eco-system of your expertise, find one thing that is really broken and develop a solution to fix that. Make sure that it fits into the existing ecosystem and solves one particular customer pain point. For instance, Telera started with an idea to make 1-800 numbers appear as local numbers. It could potentially provide huge savings in long distance calling costs to businesses. Now, in order to make it a reality, we had to build a dedicated network operations center (NOC) to act as a neutral party among various carriers. To accomplish this, we ended up building whole voice over IP infrastructure management software, which

became a valuable piece of intellectual property that led to company's acquisition eventually by Alcatel.

Generate Profit

You must focus on generating profit as soon as possible otherwise stay away from becoming an entrepreneur. Every business has to make a profit in order to sustain itself. Profit orientation means recognizing that the business comes first. The cost of goods always needs to be less than the sale price. Hire the right people with the similar mindset. In summary, the four key take away points for entrepreneur's are knowing thyself, knowing your market, building the right product and generating profit.

INTRAPRENEURSHIP:

Intrapreneurship is the act of behaving like an entrepreneur while working within a large organization. Intrapreneurship is known as the practice of a corporate management style that integrates risk-taking and innovation approaches, as well as the reward and motivational techniques, that are more traditionally thought of as being the province of entrepreneurship.

DIMENSIONS :

Intrapreneurship is entrepreneurship in the corporate world.

There are lots of reasons why Intrapreneurship is important. Here are 5 reasons why.

1. Growth:

During the economic downturn most companies stopped investing in the future. Now they are sitting on piles of cash. They know they need to grow, they just aren't sure how. Intrapreneurship answers the question of – HOW!

The goal of Intrapreneurship is to create the entrepreneurial mindset and infrastructure needed to support growth. It takes a systems view of growth. It is a framework for transformation.

Intrapreneurship helps organizations generate new business growth.

2. Innovation:

Innovation is the key element in providing aggressive top line growth. But doing one or two innovation initiatives a year will not support or sustain innovation. Organizations need to be innovating all the time. Failure rates for innovation are still high, 50% to 90%.

Innovation alone is not enough. Organizations need to set the context for innovation; the right people, the right processes and the right environment. Innovation and intrapreneurship are entwined, they are tied together. You need both to be successful.

Intrapreneurship provides an environment to support and sustain innovation over time.

3. Leadership:

Research has identified leadership as the key predictor of innovation success. Yet a majority of CEOs do not feel like they have the capabilities inside their organizations to achieve their growth agenda. The skills and capabilities that propelled most executives to the top in the past are not the skills required to build new growth businesses. Only 4% of leaders are intrapreneurial.

Intrapreneurship requires a new set of competencies and behaviors. Intrapreneurial leaders think and act differently, they have different motivations and aspirations, and they prefer working in different work environments. It is this differentiation that makes them the perfect candidate to lead new growth initiatives.

Intrapreneurship is the one of the best ways to attract and retain your most entrepreneurial leaders.

4. Change:

Change is one of the least understood and under developed management disciplines. Most studies report a 60% – 70% failure rate when it comes to change initiatives. Risk adverse cultures and resistance to change impede an organizations ability to grow.

Intrapreneurial leaders are change agents. They blaze new trails. They become the very change they wish to see. Not just driving change, but modeling change so others can change as well.

Intrapreneurship enables organizations to effectively accelerate and manage change.

5. Engagement:

Gallup Research estimates that disengaged employees cost US organizations over \$450 billion in lost productivity. In 2012, only 30% of American workers were engaged and committed to their workplace. Lost productivity translates to slow or no growth.

Intrapreneurship provides a platform to engage employees in work that is challenging and meaningful. Intrapreneurs are highly engaged in their work. Their passion and determination inspire others to get involved and try new things. As they grow, the organization grows.

Intrapreneurship helps employees stretch and grow while keeping them engaged.

Intrapreneurship has become a critical imperative for all organizations and a survival strategy for others. Organizations that have embraced Intrapreneurship have achieved higher financial returns, increased productivity, more innovation and higher levels of employee engagement. Isn't it time you took a closer look at Intrapreneurship and what it can mean for your organization.

TECHNOPRENEURSHIP:

Technopreneurship it is a simple entrepreneurship in a technology intensive context. It is a process of merging technology prowess and entrepreneurial talent and skills.

Technopreneur is the person who destroys the existing economic order by introducing, new products and services, by creating new forms of organizations and by exploiting new raw materials. It is someone who perceives an opportunity and creates an organization to pursue it. A person who undertakes risks that has the chance of profit. Technopreneurs distinguishes themselves through their ability to accumulate and manage knowledge, as well as their ability to mobilized resources to achieve a specified business or social goal.

CULTURAL ENTREPRENEURSHIP:

“A cultural entrepreneur, simply put, is an entrepreneur who creates a business that is grounded in the arts, creatively inclined and/or is relevant to the cultural heritage of a specific community. The goal of their business ventures is to address social problems by shifting belief systems and attitudes. Cultural entrepreneurship has been characterized as a sub-set of social entrepreneurship.” In other words, cultural entrepreneurs are business visionaries that want to transform the world for the better with creative and scalable business practices.

INTERNATIONAL ENTREPRENEURSHIP:

It is the process of an entrepreneur conducting business activity across the national boundaries. It may consists of exporting, lincensing, opening sales office in another country etc.

International Entrepreneurship is defined as the development of international new ventures or start-ups that from their inception engage in international business, thus viewing their operation domain as international from the initial stages of international operations.

IMPORTANCE:

1. It is beneficial as if sales of company is declining in domestic market, they can sell products in international market considering demand for product in other country market customers.
2. Entrepreneur can sell their products in foreign markets which can have reached the maturity stage of their life cycle in domestic markets and earn profits by their sales.
3. Companies which are incurring high level of fixed costs can lower their manufacturing costs by spreading these fixed costs over long number of units by their products in global markets.
4. Improves their entrepreneurial competitiveness and enhance reputation.
5. Satisfies foreign customers through international market.
6. Develops customer relationship management.

NETPRENEURSHIP:

- Netpreneurship is the process by which an individual creates and delivers their product or service over the internet. It requires just the "Connectivity".
- A Netpreneur can be a self employed individual or one who predominantly employs several virtual employees. Those Netpreneurs who can afford their own computer and connect to the Internet and carry on business can be called the Self Employed Netpreneurs (SENs).
- Those Netpreneurs who have more resources and engage "Employees" either for physical world services such as marketing, order fulfillment etc but carry on the main business activities on the Virtual Environment, are the Small and Home Office (SOHO) establishments.
- Larger establishments including Call centers and Medical Transcription units etc fall into the category of IT enabled Service Establishments beyond the limited scope of SOHOs.
- These bigger units have a strength of their own and are outside the scope of present discussion. An enterprise cannot go smaller than one single individual namely the "Entrepreneur". In this sense, the "Netpreneur" is like the smallest building block in the "Business Network".

- The Netpreneur is a premium member in the Community. He provides service to the community including employment.
- To the extent he provides services outside the community, he adds wealth to the community by his Export activity.
- He is a person therefore who needs to be encouraged by the Community for its own benefit. More the Netpreneurs in the society, better it is for the community.
- Netpreneurs add up to build other higher value added economic units in the society either joining hands with other similar Netpreneurs or with other Brick and Mortar entities.
- Prosperity springs when an environment is created where such Netpreneurs flourish, enter into mutually beneficial partnerships and enjoy the benefits of a Connected society.

ECOPRENEURSHIP:

"Ecopreneurs are entrepreneurs whose business efforts are not only driven by profit, but also by a concern for the environment. Ecopreneurship, also known as environmental entrepreneurship and eco-capitalism, is becoming more widespread as a new market-based approach to identifying opportunities for improving environmental quality and capitalizing upon them in the private sector for profit. "

DRIVERS OF ECOPRENEURSHIP:

- Population growth
- Increasing life expectancy
- Climate change
- Resource scarcity
- Lack of equity in the world
- Human right

POSSIBLE QUESTIONS:

PART A(20*1=20)

ONLINE EXAM

PART B(5*2=10):

1. Define Entrepreneurship.
2. What are the elements and importance of entrepreneurship?
3. Define creative behaviours.
4. What is technopreneurship?
5. Define netpreneurship.
6. Who are social entrepreneur?
7. What is cultural entrepreneurship?
8. Mention the problems faced by cultural entrepreneur.

PART C(5*6=30):

1. Explain the dimensions of entrepreneurship.
2. Explain the determinants of entrepreneurship.
3. Write the importance of entrepreneur in the society.
4. Discuss with an example about the problems faced by the entrepreneurs.
5. What is intrapreneurship? Mention its dimension.
6. What is the role of entrepreneur in economic development?
7. Discuss about techno and eco entrepreneurs.
8. Explain
 - a) Social entrepreneurship
 - b) Netpreneurship

S.NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4	ANSWER
1	Any patents, trademarks , copyright or trade secrets held by the entrepreneur is known as	Disclosure document	Patent	Intellectual property	None of the mentioned	Intellectual property
2	The organization will never be able to make the necessary changes without	Top management commitment	Employees	Workers	None of the mentioned	Top management commitment
3	The ways entrepreneurs make decisions.	Entrepreneurial domain.	Reverse brain storming	Heuristics	Reverse brain storming	Entrepreneurial domain.
4	locus of control is	A feeling	Attitude	Attribute	None of the above	Attribute
5	Licensing arrangements have	Low risk process involved	Easy way to generate incremental income	Several pitfalls	All of the above	All of the above
6	Personal characteristics to be a successful entrepreneur includes	Understanding environment	Creating management options	Encourage open discussion	All of the above	All of the above
7	International entrepreneurship is	Licensing	Exporting	Both of the mentioned options	None of the two mentioned	Both of the mentioned options
8	Which of the following is not a characteristic that is helpful for an entrepreneur to have?	Self-esteem	Caution	Drive	Optimism	Caution
9	Hindrance for going in the international business is known as	Synergy	Turn key point	Trade barrier	Minority interest	Trade barrier
10	A set of reasons for engaging in a particular behavior, especially human behavior is known as	Values	Vision	Entrepreneurship	Motivation	Motivation
11	Which of the following techniques is an excellent method for initially screening ideas and concepts in addition to generating new ideas?	Focus group	Brain storming	Problem inventory analysis	Reverse brainstorming	Focus group
12	The creative process for problem solving that involves making the strange familiar in first step and then making the familiar strange through personal, direct or symbolic analogy is called	Synectics	Gordon method	Checklist method	Scientific method	Synectics
13	When the multiplicity of environments become too complex to handle, the international entrepreneurs often	Go for mergers	Diversify	Decentralize operations	Sale out the foreign business	Decentralize operations
14	An entrepreneur into the hosiery business found out the reason his hosiery was not selling was due to its color. What could be the best source of this information?	Supplier	Retailer	Competition	Government bureau	Retailer
15	In some countries, point of purchase displays are not allowed in retail stores. Such differences are studied by international entrepreneurs under	Economic	Political	Cultural	Technological	Cultural
16	Entrepreneurial success has been significant because of the culture and the political and economic systems in	European countries	Asian countries	Transition economies	Middle east	Asian countries
17	Having more than 50% ownership position that provides the entrepreneur with managerial control is called	Joint venture	Majority interest	Horizontal merger	Diversified activity merger	Majority interest

18	The under-developed or lesser developed countries need manufacturing technology and infrastructure and yet do not want to turn over substantial portion of their economy to foreign ownership. Which of the following is a solution to this dilemma?	Management contract	Indirect exporting	Licensing	Turn-key project	Turn-key project
19	The development of a new venture based on an inventor's work often requires _____.	Expertise of an entrepreneur	Heavy investment from financiers	Skilled human resources	Highly educated staff	Expertise of an entrepreneur
20	_____ is the process in marketing of dividing a market into distinct subsets (segments) that behave in the same way or have similar needs.	Target Market	Market Analysis	Market Segmentation	All of the Above	Market Segmentation
21	A business where an individual is both the owner and conductor of the business affairs is called _____.	Sole Proprietorship	Partnership	Corporation	None of the above	Sole Proprietorship
22	In _____, the entrepreneur has the right to sell any assets.	Proprietorship	Partnership	Limited Liability Company	None of the given options	Proprietorship
23	_____ are lists of the general tasks, or functions, and responsibilities of a position.	Job Specifications	Job descriptions	Job Requirements	Jobholder	Job descriptions
24	A _____ can be a budget, a plan for spending and saving future income.	Marketing Plan	Financial Plan	Production Plan	Organizational Plan	Financial Plan
25	_____ involves an interest-bearing instrument, usually a loan, the payment of which is only indirectly related to sales and profits.	Equity Financing	Internal or External Funds	Banking Funds	Debt Financing	Debt Financing
26	The idea and actions that explain how a firm will make its profits refers to	Mission	Goal	Strategy	Objective	Strategy
27	SBIR stands for:	Small Business Information Research	Small Business Innovation Research	Small Business Intelligent Research	Small Business Inventory Research	Small Business Innovation Research
28	_____ is what the "W" in the SWOT analysis stands for.	Wedge	Work/life	Worth of Business	Weakness	Weakness
29	Benefits can focus on which of these?	Value and Cost	Imitation and Innovation	Internal and External aspects	None of the given options	Value and Cost
30	An entrepreneur's primary motivation for starting a business is	To make money	To be independent	To be famous	To be powerful	To be independent
31	To be successful in an entrepreneurial venture, you need	Money	Luck	Hard work	A good idea	Luck
32	Entrepreneurs are best as	Managers	Venture capitalists	Planners	Doers	Doers
33	A successful entrepreneur relies on which of the following for critical management advice	Internal management team	External management professionals	Financial sources	No one	External management professionals
34	Entrepreneurs are:	High risk takers	Moderate risk takers	Small risk takers	Doesn't matter	Moderate risk takers
35	Entrepreneurs typically form	Service businesses	Manufacturing companies	Constructive companies	A variety of ventures	A variety of ventures
36	Entrepreneurs:	Are the life of the party	Are bores at a cocktail party	Will never go to parties	Just fit into the crowd at a party	Just fit into the crowd at a party
37	Entrepreneurs and ventures capitalists:	Get along well	Are the best friends	Are cordial friends	Are in conflict	Are in conflict
38	An entrepreneur's primary motivation for high ego and need for achievement is based upon a relationship with:	Spouse	Mother	Father	Children	Father
39	An _____ operates within organization.	Owner	Inventor	Intrapreneur	Advisor	Intrapreneur
40	Entrepreneurs always bears _____	actions	Purchase	Risk	Sales	Risk

41	A _____ entrepreneur will be very cautious.	Fabian	skilled	innovate	Drone	Fabian
42	A _____ does not bear any risk.	Creator	Servant	Inventor	Manager	Manager
43	The social science discipline that focuses directly on understanding and predicting individual behaviour is known as	psychology	sociology	anthropology	political science	psychology
44	The social science that studies how individuals interact with one another in social systems is known as	psychology	sociology	anthropology	political science	sociology
45	The behavioural science hybrid that integrates psychology and sociology is known as	psysology	psycho sociology	social psychology	socpsycology	social psychology
46	People who work in the Human resource department should have a knowledge of	organisational behavior	IT	Finance	marketing	organisational behavior
47	The commercial _____ started to cater industries	banks	industries	Offices	Companies	banks
48	There are _____ stages in project life cycle	one	two	Three	four	Three
49	What are the 3 basic dimensions of a project?	input, output and process	input, output and materials	input, output, social cost and benefits	input, output and features	input, output, social cost and benefits
50	Project formulation is the important while preparing the _____	Project	report	plan	format	Project
51	Female entrepreneur differs from male entrepreneur in terms of the following except _____	Motivation	Business skill	Departure point	Goal orientation	Motivation
52	The term EDP refers to _____	Entrepreneurship Development Programme	Entrepreneurial Development Programme	Entrepreneur Development Programme	Entrepreneuring Development Programme	Entrepreneurship Development Programme
53	TIIC is sponsored by the _____	Government of Tamil Nadu	Government of Karnataka	Government of Andhra Pradesh	Government of Kerala	Government of Tamil Nadu
54	RCI stands for _____	Re-investment corporation of India	Re-investment committee of India	Refinance corporation of India	Refinance committee of India	Refinance corporation of India
55	The main functions of _____ is to cater small industries	people	company	SFC	concern	SFC
56	A _____ gives assistance to small Entrepreneurs.	large	high	small	Commercial banks	Commercial banks
57	SIDBI Commences its operation in the year _____.	1936	1950	1990	1948	1990
58	_____ provide training to small entrepreneurs.	UNO	SIDBI	SBI	IIC	SIDBI
59	An individual usually begins his or her first significant entrepreneurial business enterprise at what age	Teens	Twenties	Forties	Fifties	Forties
60	NAFTA stands for:	North American Free Trade Agreements	North Asian Free Trade Agreements	National Asian Free Trade Agreements	National American Free Trade Agreements	North American Free Trade Agreements

UNIT-II
SYLLABUS

Entrepreneurship and Micro, Small and Medium Enterprises: Concept of business groups and Role of Business Houses and Family Business in India; Role of Entrepreneurship in Economic Development; the Contemporary Role models in Indian business: their values, Business philosophy and behavioral orientation; conflicts in family business and its resolution.

CONCEPT OF BUSINESS GROUP:

Definition

A group of companies is an economic entity formed of a set of companies which are either companies controlled by the same company, or the controlling company itself. Controlling a company means having the power to appoint the majority of its directors. The control of company A by company B may be direct (company B directly holds the majority of voting rights on the management board of company A) or indirect (B controls intermediate companies C, D or E, etc, which it can ask to vote the same way on the management board of A, thereby obtaining a majority of rights).

The French statistical definition currently in force uses the absolute majority of voting rights as its control criterion to define the group contours.

We define:

the restricted contour, or "core", of the group as all the companies more than 50% owned, directly or indirectly, by a parent company heading the group; the parent company is not more than 50% owned either directly or indirectly by another company. In this definition, groups form pair wise disjoint sets.

ROLE OF BUSINESS HOUSES AND FAMILY BUSINESS IN INDIA:

Business Groups are an important part of a nation's economy and a major contributor to the GDP of the country. The industrial scenario of many developing economies is identified by various business groups. They have been an essential part of the economy ever since the emergence of

the industrial activity in the latter half of the nineteenth century. In India, 90% of the businesses are family-owned. They have played an important role in the development of the Indian economy by filling the gaps from sluggish markets and institutions. Major Business Houses in India:

Adani Group

Adani Group is one of the well-known business houses in India. The company has its headquarters in Gujarat. It was founded in the year 1988 as a commodity trading business. First generation entrepreneur Gautam Adani is the founder & chairman of Adani Group. It is an Indian multinational conglomerate working in diversified business sectors which includes resources, logistics, agribusiness and energy sectors. The subsidiaries of Adani Group are Adani Gas Limited, Adani Ports & SEZ Limited, Adani Power.

Aditya Birla Group

Founded by Seth Shiv Narayan Birla in 1857, the Aditya Birla Group is one of the best business houses in India. The group has its headquarters in Worli, Mumbai. It is functional in 40 countries with more than 120,000 employees internationally. Aditya Birla Group is the largest MNC in the USA constituting 95% of the American employees engaged in manufacturing operations. The group is active in sectors of viscose staple fibre, metals, cement (largest in India), viscose filament yarn, branded apparel, carbon black, chemicals, fertilisers, insulators, financial services, telecom, BPO and IT services.

Bharti Enterprises

Bharti Enterprises was founded by Sunil Bharti Mittal in the year 1976. The company has its headquarters in New Delhi and is operational in 16 countries across Africa and Asia. The company has businesses in the field of telecommunications, agribusiness, financial services and manufacturing. It has its presence in many sectors but its largest revenue comes from the telecom industry. Some international companies like Singtel, IBM, Ericsson, Nokia Siemens and Alcatel-Lucent are the current key partners of the company in telecom. Its charitable arm, the Bharti Foundation is reaching out to 2,40,000 students and engaging 8,000 teachers across 13 Indian states to revolutionize the education sector.

Reliance ADA Group

The Reliance ADA Group came into existence after Anil Ambani separated from his elder brother Mukesh Ambani in the business. The company is having its headquarters in Navi Mumbai. The market capitalisation of the company is \$14 billion and its net assets worth \$28 billion. This group operates in more than 20,000 towns and 450,000 villages in India and abroad. The company is engaged in the business of telecom, financial services, construction, entertainment, power, healthcare, manufacturing, defence, aviation, and transportation services.

Reliance Industries Ltd

Reliance India Limited was founded by Dhirubhai Ambani in 1966 as Reliance Commercial Corporation. The company is now headed by Mukesh Ambani after his split with his brother, Anil Ambani. It is an Indian conglomerate holding company having headquarters in Mumbai. Reliance is the most profitable business house in India. On 18 October 2007, Reliance became the first Indian company to crack \$100 billion market capitalization. It has been ranked 203rd on the list of Fortune Global 500 in 2017. Reliance contributes almost 5% to the total revenues of the Government of India from customs and excise duty. The company is operational in the sectors of energy, petrochemicals, textiles, natural resources, retail, and telecommunications.

Tata Group

Tata Group is a global enterprise established by Jamsetji Tata in 1868. Having its headquarters in India, it comprises of more than 100 companies operating independently. The Tata Group is operational in more than 100 countries across six continents in the world. Tata Sons is the primary investment holding company and promoter of Tata companies. The company has more than 695,000 employees working under it. In 2016-17, the revenue of all the Tata companies, taken together, was \$100.39 billion. Tata companies with significant scale include Tata Steel, Tata Motors, Tata Consultancy Services, Tata Power, Tata Chemicals, Tata Global Beverages, Tata Teleservices, Titan, Tata Communications and Indian Hotels.

ROLE OF AN ENTREPRENEUR IN ECONOMIC DEVELOPMENT :

Entrepreneurship plays an influential role in the economic growth and standard of living of the country. As a startup founder or small business owner, you may think that you are simply

working hard to build your own business and provide for yourself and your family. But you are actually doing a whole lot more for your local community, state, region, and the country as a whole. Here are the top 7 important roles an entrepreneur plays in the economic development of a country.

1. Wealth Creation and Sharing:

By establishing the business entity, entrepreneurs invest their own resources and attract capital (in the form of debt, equity, etc.) from investors, lenders and the public. This mobilizes public wealth and allows people to benefit from the success of entrepreneurs and growing businesses. This kind of pooled capital that results in wealth creation and distribution is one of the basic imperatives and goals of economic development.

2. Create Jobs:

Entrepreneurs are by nature and definition job creators, as opposed to job seekers. The simple translation is that when you become an entrepreneur, there is one less job seeker in the economy, and then you provide employment for multiple other job seekers. This kind of job creation by new and existing businesses is again is one of the basic goals of economic development. This is why the Govt. of India has launched initiatives such as StartupIndia to promote and support new startups, and also others like the Make in India initiative to attract foreign companies and their FDI into the Indian economy. All this in turn creates a lot of job opportunities, and is helping in augmenting our standards to a global level.

3. Balanced Regional Development:

Entrepreneurs setting up new businesses and industrial units help with regional development by locating in less developed and backward areas. The growth of industries and business in these areas leads to infrastructure improvements like better roads and rail links, airports, stable electricity and water supply, schools, hospitals, shopping malls and other public and private services that would not otherwise be available.

Every new business that locates in a less developed area will create both direct and indirect jobs, helping lift regional economies in many different ways. The combined spending by all the new employees of the new businesses and the supporting jobs in other businesses adds to the local

and regional economic output. Both central and state governments promote this kind of regional development by providing registered MSME businesses various benefits and concessions.

4. GDP and Per Capita Income:

India's MSME sector, comprised of 36 million units that provide employment for more than 80 million people, now accounts for over 37% of the country's GDP. Each new addition to these 36 million units makes use of even more resources like land, labor and capital to develop products and services that add to the national income, national product and per capita income of the country. This growth in GDP and per capita income is again one of the essential goals of economic development.

5. Standard of Living:

Increase in the standard of living of people in a community is yet another key goal of economic development. Entrepreneurs again play a key role in increasing the standard of living in a community. They do this not just by creating jobs, but also by developing and adopting innovations that lead to improvements in the quality of life of their employees, customers, and other stakeholders in the community. For example, automation that reduces production costs and enables faster production will make a business unit more productive, while also providing its customers with the same goods at lower prices.

6. Exports:

Any growing business will eventually want to get started with exports to expand their business to foreign markets. This is an important ingredient of economic development since it provides access to bigger markets, and leads to currency inflows and access to the latest cutting-edge technologies and processes being used in more developed foreign markets. Another key benefit is that this expansion that leads to more stable business revenue during economic downturns in the local economy.

7. Community Development:

Economic development doesn't always translate into community development. Community development requires infrastructure for education and training, healthcare, and other public services. For example, you need highly educated and skilled workers in a community to attract

new businesses. If there are educational institutions, technical training schools and internship opportunities, that will help build the pool of educated and skilled workers.

A good example of how this kind of community development can be promoted is Azim Hashim Premji, Chairman of Wipro Limited, who donated Rs. 27,514 crores for promoting education through the Azim Premji Foundation. This foundation works with more than 350,000 schools in eight states across India.

So, there is a very important role for entrepreneurs to spark economic development by starting new businesses, creating jobs, and contributing to improvement in various key goals such as GDP, exports, standard of living, skills development and community development.

CONTEMPORARY ROLE MODELS IN INDIAN BUSINESS:

When we called in for nominations for your favourite startup, we also asked for your role models from the Indian startup industry and the people have voiced their opinion (here are the top 10 startups you chose). These people serve as the beacons for the aspiring entrepreneurs. They motivate and inspire the people who dream of entrepreneurship. They're the role models for the people in the Indian Startup Ecosystem. Here are the top 10 role models you picked:

Alok Kejriwal

Alok Kejriwal is CEO and Co-Founder of Games2Win.com. Apart from being a serial entrepreneur and an investor, Alok is also a very active individual in the Indian startup ecosystem. Recently at the NASSCOM Conclave in Bangalore he shared with us witty insights on Investing, Mentoring, Gaming, Shitty Jobs and Climbing The Mount Everest!

Deep Kalra

Deep Kalra is the Founder & CEO of MakeMyTrip, India's leading online travel portal. An IIM-A alumnus, Deep launched MakeMyTrip in 2000 and has traversed the extremes of the Indian online space. Deep has strongly accentuated on the fact that entrepreneurs should not start-up focusing on exits.

Dorai Thodla

Dorai Thodla is a founder of iMorph, Inc. iMorph builds tools and provides services for gathering technology intelligence, market intelligence and industry intelligence. He has been an active mentor and guides many startups in getting their act right.

Kishore Biyani

Kishore Biyani is the CEO of Future Group, and the MD of Pantaloon Retail. Biyani's Future Group has over 17 million square feet of retail space in 90 cities and 60 rural locations. He managed to raise \$170 million by taking venture capital arm Future Ventures public in March 2011. Kishore is also the co-author of the book "It happened in India". It is the story of Pantaloons, Big Bazaar, Central and the Great Indian Consumer, co-authored with Dipayan Baishya. Surely a role model for many across India.

Mahesh Murthy

Mahesh Murthy is a founding partner at Seedfund, and has over 26 years of marketing and communications experience, of which 15 years are in online marketing. After dropping out of college, Mahesh sold vacuum cleaners from door to door, worked with Grey in India and Ogilvy in Hong Kong, where he won notoriety and awards as a creative director on HP, The Economist, Pepsi and MTV – for whom he wrote and directed a spot voted “Asia’s best commercial of the decade”. Watch this candid video from a him: "talk on fund raising for start-ups"

Naveen Tewari

Naveen Tewari is the Founder of InMobi, the world’s largest independent mobile advertising network. This is no small feat and Naveen feels that a lot depends on the entrepreneur's mindset. One of the most successful entrepreneurs of the new age, Naveen has inspired many to dream big and achieve things entrepreneurs usually thought to be out of their reach.

Phanindra Sama

Phanindra Sama is the Founder & CEO of redBus.in, the leading online bus ticketing portal. Phanindra Sama is better known as “Phani” in the startups space and has been able to build a vastly successful company. It is under his leadership that redBus achieved the feat of selling 10 million bus tickets. A very humble individual, catch Phani in this video where he shared his thoughts with us.

Sachin and Binny Bansal

The Bansals are the poster boys of the Indian startup ecosystem, with their ecommerce firm Flipkart pegged to be the Amazon of India. Although mired in a few controversies off late, Flipkart remains the biggest eCommerce venture in India. YourStory visited the Flipkart's Bangalore office during the firm's early days and caught up with this duo then. From then till today, their growth has been phenomenal coupled with multiple rounds of funding which has kept them head and shoulders above the rest. No surprise that the Bansal brothers are the role models for many.

Sanjeev Bikhchandani

Sanjeev Bikhchandani, an IIM-A alumnus, is the Founder of Naukri.com, India's leading online job portal. An early catcher of the Internet market in India, Sanjeev sees high potential in the consumer internet and mobile. Another widely respected entrepreneur who has built a company with sheer grit and determination.

Subroto Bagchi

Subroto Bagchi is an Indian entrepreneur and co-founder of MindTree Inc., an international IT consulting company. He is the author of the books, Go Kiss The World: Life Lessons for the You. Subroto's words have proved to be the golden advice for many. So when he says that building a great company is seldom an accident, you ought to believe him.

BUSINESS PHILOSOPHY:

A business philosophy is a set of beliefs and principles that a company strives to work toward. This is often referred to as a mission statement or company vision. It's essentially the company's operational blueprint. The business philosophy explains the company's overall goals and its purpose. The philosophy also outlines the values that are important to the company. As a business entity, a company's philosophy is a reflection of the values of its leaders. Some business philosophies are very well known, such as Google's, which lists such attributes as, "It's best to do one thing really, really, well," and, "You can make money without doing evil." Once a company creates a business philosophy it must articulate the philosophy to its employees.

THE IMPORTANCE OF A BUSINESS PHILOSOPHY

Taking a trip to a new city without a map or GPS can be very frustrating. You won't know how to get there or how long it will take you. The same analogy can be used for companies that lack a clear philosophy. If the employees don't know the company's ultimate goals or its values, they can feel lost in their day-to-day work lives. By extension they may not give the best customer service or work in the most effective manner. By establishing a mission statement and articulating a company's vision, a business can avoid these issues.

Composing a Business Philosophy

A good business philosophy successfully outlines a company's values, beliefs and guiding principles. Creating a philosophy takes time and diligence on the part of business leaders. In composing the philosophy, leaders should ask themselves, "What is the nature of my business?" "Who is my customer?" "What values are important to me?" and "What is my overall vision for the company?" The answers to these questions will form the basis of a sound business philosophy.

Communicating the Business Philosophy

Once a company creates a business philosophy it must communicate the message to its employees. There are several ways of achieving this goal. Many companies introduce employees to the business philosophy during the new hire orientation process. Some businesses display the company's mission statement on websites, logos, posters and other office products as a way to continually remind employees of the company's vision. Another way is to meet individually with

work groups within the organization to make sure the departmental goals are in line with the company's overall goals. Whichever avenue a company chooses, it's important to effectively communicate the philosophy to the employees.

Here are 9 simple philosophies that changed my entrepreneurial life:

- Don't make excuses, make improvements

In most cases, things won't work out the way you want them to. It can be anything from missing revenue projections to launching your product on time and even getting sued for silly little things.

It's natural to make excuses for why things didn't go the way you wanted. But that won't do you any good because it won't solve your problems.

Instead of making excuses, focus on solving the problems. They probably won't get fixed right away, but as long as you are making improvements, you'll eventually get there.

- Don't stop when you're tired, stop when you're done

You will get tired of being an entrepreneur, and you'll probably even get burnt out... especially when things aren't going well. What's helped me succeed over the years is that I am persistent. It doesn't matter whether I am exhausted or feel that I've put enough hours in the day; I just don't ever stop until things are done.

The moment you stop is the day you fail. As long as you keep chugging along, eventually you will accomplish your goals.

- Honesty is a very expensive gift, do not expect it from cheap people

As an entrepreneur, you will have to look to other people for feedback and advice. I've learned that not all advice is equal as some people give better advice than others.

The best advice you will ever get is the truth. The truth may hurt, but it will save you time and money.

Just don't expect the truth from people who care about saving your feelings. That won't help you accomplish your goals; it will just put you back.

- Work hard in silence and keep your success to yourself

When I started doing somewhat well, I wanted to show off. I wanted to tell people about my successes, buy fancy objects to demonstrate my accomplishments and share with the world how “I made it”.

In the long run, buying expensive objects didn’t make me happy. Telling people about my success just caused people to think I was arrogant and, even worse, created more competition.

Don’t worry about telling people about your success as it won’t do you any good. Just focus on your work, and keep your mouth shut because the last thing you need is more competitors.

- Don’t get sidetracked by people who are not on track

It’s easy to get sidetracked, especially by other people. If you don’t focus on your core business model, you’ll find yourself spinning your wheels and getting nowhere.

One of the best ways to avoid this is to not let people who don’t have their life together affect your business decisions. If you want to do well, you need to start hanging out with like-minded people. By being around people who have their life together and are successful, you are less likely to get sidetracked.

- Behind every successful person are a lot of unsuccessful years

When people look at what I have accomplished, most of the time they feel that I’ve done it over the last few years. What they forget to realize is that I have been an entrepreneur for over 10 years.

During that 10-year period, I’ve lost millions of dollars, made more mistakes than I can count and put countless hours into my businesses.

Most entrepreneurs don’t strike it rich with their first startup... a lot of people fail before they succeed. So, as long as you keep pushing forward as an entrepreneur, your odds of succeeding will go up over time.

- Live in such a way that if someone spoke badly of you, no one would believe it

Businesses come and go, but the one thing you should protect more than anything else is your reputation. Your reputation will affect any new business ventures or a job you may try to get later.

Treat your reputation as if it were more valuable than gold. Always help others out, and never speak badly about other people. Be so kind and helpful that if someone spoke badly about you, no one would believe that person.

Sometimes when you follow your dream, it opens the door for others to be able to follow theirs. Entrepreneurship isn't just about you. You won't be able to fulfill your dreams without the help of other people.

As you are following your dreams, make sure you don't forget about the people who helped you get there. Find out what their dreams and goals are and help them accomplish them.

My business partner and I have continually helped all of our team members reach their dreams over the last ten years, and this has also helped us retain most of our valuable team members. This is important because it is really hard to find good talent... so you might as well take care of them.

Just because you are struggling does not mean you are failing

Every great success requires some kind of struggle. Nothing worthwhile is easy, so don't expect your entrepreneurial career to be easy.

You will have to work hard, fight through the tough times and keep pushing forward. If being an entrepreneur was so easy and didn't require any hardship, everyone would be one.

So, when you are struggling, don't give up and keep pushing forward until you see the light at the end of the tunnel.

- The hardest thing to open is a closed mind

No matter how good of a salesperson you are, some people just don't want to hear you talk. They have a closed mind, and they feel they know everything.

You could try to be persistent with people like this, but I've found that the hardest thing to open is a closed mind. So, instead of wasting my time, I just move on.

You will be strapped for time as an entrepreneur... especially when you are just starting out because you won't have much cash or people to help you. So, do yourself a favor and don't waste your time with people who are close-minded.

- If you help people get what they want, you can get what you want

The lesson that took me the longest to learn is that you have to help people to get what you want. Business is all about relationships, and you can't keep asking people for favors without repaying them.

I've also learned that if I help people out, they will go an extra mile to help me out. And if you help people without expecting anything in return, people will go extra ten miles to help you. Keep paying it forward by helping everyone out there... no matter how big or small they may be. Sooner or later, the universe will pay it back ten-fold.

BEHAVIOURAL ORIENTATION:

Task-oriented (or task-focused) leadership is a behavioral approach in which the leader focuses on the tasks that need to be performed in order to meet certain goals, or to achieve a certain performance standard.

CONFLICT IN FAMILY BUSINESS AND ITS RESOLUTIONS:

Conflict is a fact of family business life. According to the Family Firm Institute, 20% of family businesses report weekly conflict, another 20% report monthly conflict, and 42% report conflict three to four times per year. You can draw your own conclusions about the 18% who report no conflict at all!

It's worth noting that not all disagreements rise to the level of conflict. Disagreement is a difference of facts, perceptions, beliefs, or expectations. Conflict is a higher level of disagreement; it's the belief of two or more people that their positions are mutually exclusive.

When two or more individuals must act upon or implement their needs, values, or interests, and they perceive others are blocking or opposing them, conflict arises. In life, and especially in families and businesses where values and interests are deeply held and tied to future happiness, conflict is inevitable and sometimes can even be positive.

Rather than mask or deny inevitable conflict, conflict resolution brings differences to the surface and creates a comfortable, safe space and set of skills to successfully move forward while enhancing the relationships involved.

RESOLUTIONS:

Leverage formal governance structures to mitigate conflict

One issue that we have seen arise in many family businesses is that family members may lack a forum for discussing issues in the business. Formal structures like family councils, boards, and family forums can offer family members a safe, organized way to bring up issues and negotiate conflict. Formal governance can also help mitigate family and financial issues by separating ownership of the business from its management functions. Give family members space (and permission) to air grievances

One problem that we frequently see in businesses with a first-generation matriarch or patriarch is that family members may lack a safe way to express their needs and concerns. When people don't feel listened to or appreciated, seemingly small problems can mushroom into major business and family drama. To help prevent conflicts, family leaders should actively encourage family members to air concerns constructively and give them the space they need to disagree. Senior leaders should come prepared to listen without judgment and be willing to fairly consider what is being brought up.

Don't let business bleed into family time (too much)

It's very challenging to keep from bringing business home, but one way that conflicts turn into family drama is by failing to keep them separate. Family business leaders must set the example by separating business and family time as much as possible. One way to make this separation possible is by having formal spaces and structured times to discuss business issues. Explicitly making other times no-business zones can help family members relax into their personal roles and get away from work.

Communicate early and often about issues

Many large complications start as small problems that could have been resolved with early intervention. Sometimes, spotting issues early and addressing them through clear communication can be enough to prevent a conflict from developing. Even when family members see each other regularly in the business, formal family meetings can be a better place to hash out complex issues. Whether it's at a family retreat or simply at a separate meeting, making a break from daily routine to tackle the big issues can help open lines of communication. A formal setting can

also help ensure that issues are not ignored and that members of the family have the opportunity to make their opinions heard.

Bring in experts to mediate major conflicts

Some issues simply cannot be resolved internally. When family members become entrenched and constructive dialogue isn't possible, an objective expert who is trained to help resolve conflict can help cut through the emotions and focus on issues. A mediator can also help guide a family through initial conversations all the way to a final resolution. We have found that many family groups can achieve more in a few hours with an outside expert than they have in years by themselves.

Final Thoughts

Many conflicts boil down into age-old family disputes. It's common to see businesses that mirror family hierarchies. For example, parents might run the company together, a favoured eldest child might serve in an executive role while other children and spouses fill in other management positions. However, these parent-child and family dynamics can make the separation of family and business even more difficult. Leaders must be able to treat children like employees and managers during business time to help reduce the risk that family dynamics will damage the business culture.

Ultimately, managing family conflicts often comes down to creating better communication skills as a family. While conflict can never be completely avoided, treating it as a normal part of business and developing the skills to handle it can go a long way toward building healthier business and family ties.

POSSIBLE QUESTIONS:

PART A(20*1=20)

ONLINE EXAM

PART B(5*2=10):

1. What is business group?
2. Define business philosophy.
3. Name few conflicts in family business.
4. Write few business houses in India.
5. What is behavioral orientation?
6. Name some role models in Indian business.
7. What are the advantages of family business?
8. What are the disadvantages of family business?
9. What is MSME?
10. What are the resolutions for the conflicts in family business.

PART C(5*6=30):

1. Explain the role of business group in India.
2. Explain the role of entrepreneurship in economic development.
3. What are the conflicts in family business and its resolution?
4. Explain the role of business group and family business in India.
5. What are the resolution in family business?
6. Explain about entrepreneurship and MSME.
7. Who are the contemporary role models in Indian business?

S.NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4	ANSWER
1	The factor _____ is probably the most prevalent reason for mergers.	Taxation	Economies of scale	Inflation	Mergers	Economies of scale
2	A _____ merger is a combination of two firms producing the same products but selling them in different geographic markets.	Diversified Activity Merger	Product Extension Merger	Vertical Merger	Market Extension Merger	Market Extension Merger
3	One of the most frequent reasons an entrepreneur forms a joint venture is to share the _____.	Resources	Cost	Cost and risk of a project	Profit	Cost and risk of a project
4	_____ involves having a foreign purchaser in the local market or using an export management firm.	Direct Exporting	Indirect Exporting	Management Contracts	Turn-Key Projects	Indirect Exporting
5	The _____ measures the payments that flow between any individual country and all other countries.	International Business	Economies of Scales	Balance of Payment	None of the given options	Balance of Payment
6	_____ is an entrepreneurial type who quickly identifies new promising business opportunities but rarely, if ever, follows through on the opportunity to create a successful new venture.	Simplicity Sue	Shotgun Sam	Hidden Agenda Harry	Inventor Irving	Shotgun Sam
7	One study found that the typical minority business owner was the	Oldest child in a blue-collar family and marrie	Oldest child in a white-collar family and marrie	Youngest child in a blue-collar family and marrie	Youngest child in a white-collar family and marrie	Oldest child in a blue-collar family and marrie
8	Traditional managers are:	Deals with mistakes and failures	Tries to avoid mistakes and surprises	Attempts to hide risky projects from view until ready	None of the given Options	Tries to avoid mistakes and surprises
9	Entrepreneurs are:	Moderate risk taker	High risk taker	Avoidance	Both b and c	Moderate risk taker
10	Risk decisions are often postponed until	Hard facts can be gathered or a consultant hired to illuminate the unknown.	Hard facts can be gathered or an auditor hired to illuminate the unknown.	There is no need to gather facts and hired a consultant/auditor	None of the given options	Hard facts can be gathered or a consultant hired to illuminate the unknown.
11	_____ is one method of stimulating, and then capitalizing on, individuals in an organization who think that something can be done differently and better.	Strategic Orientation	Capitalization	Intrapreneurship	Management	Intrapreneurship
12	The typical _____ has a climate and reward system that favor conservative decision making.	Entrepreneurship culture	Corporate culture	Intrapreneurial culture	None of the given options	Corporate culture
13	Female entrepreneurs normally start their venture at the age of _____ years.	35-45	25-30	20-25	40-45	35-45
14	Male entrepreneurs normally start their venture at the age of _____ years.	20-25	25-35	40-50	After the age of retirement.	25-35
15	The _____ is the process through which innovation develops and commercializes through entrepreneurial activity, which in turn stimulates economic growth.	Product-evolution process	Technological innovations	Breakthrough innovations	None of the given options	Product-evolution process
16	A _____ is a type of company formed from research and development that usually does not go publi	Foundation	Life-Style Firm	High-Potential Venture	Both b and c	Foundation

17	_____ involve such things as writing, listening, oral presentations, coaching and technical know-how.	Business Management skills	Personal entrepreneurial skills	Technical skills	None of the given options	Technical skills
18	The _____ means to do things in his or her own way and time.	Need per independence	Need for achievement	Personal values	Ethics	Need per independence
19	_____ is a reason or set of reasons for engaging in a particular behavior, especially human behavior.	Moral value	Act	Motivation	None of the options	Motivation
20	The _____ plan shows whether the business is economically feasible or not.	Financial	Business	Economic	Marketing	Business
21	In which of the following, the ownership of venture is reflected by ownership of shares of stock?	Partnership	Limited partnership	Corporation	Proprietorship	Corporation
22	Bankers say that most businesses fail because of the _____ inability to plan properly.	Investor's	Marketer's	Entrepreneur's	Consultant's	Entrepreneur's
23	The _____ of a venture could be that the company has experience in related business.	Strength	Weakness	Opportunity	Threat	Strength
24	The marketing plan should focus on strategies and for the first year, goals and strategies should be projected _____.	Daily	Weekly	Monthly	Quarterly	Monthly
25	Which of the following is not a characteristic of marketing plan?	It should provide a strategy to accomplish the company mission	It should provide for the use of existing resources	It should be simple and short	It should be rigid	It should be rigid
26	Secondary data can be obtained from all of the following sources, except:	Internet	Magazine	Bureau of statistics	Focus group	Focus group
27	Which of the following is one of the simplest form and lowest in entry costs.	Direct mail marketing	Online marketing	Sales promotion	Export marketing	Direct mail marketing
28	In _____, the death of entrepreneur results in the termination of venture.	Proprietorship	Limited company	Limited partnership	Corporation	Proprietorship
29	In partnership, the ability to raise capital depends on the _____ of the business.	Expansion	Success	Size	Nature	Success
30	Which of the following is NOT recognized an important component to organizational vision?	The vision should be built on a foundation of the organization's core values and beliefs.	The vision should elaborate a purpose for the organization.	The vision should include a brief summary of what the organization does.	The vision should specify detailed and short-term goals.	The vision should specify detailed and short-term goals.
31	Which of the following components of organizational vision and mission statements tells how the organizational unit is responsive to societal, community, and environmental issues?	Customer	Market	Self-Concept	Concern for public image	Concern for public image
32	Which of the following dimensions of organizational culture describes the degree to which employees are expected to do their jobs with precision, thorough analysis, and attention to detail?	Innovation and risk-taking	Team orientation	Aggressiveness	Attention to detail	Attention to detail
33	Which of the following does NOT represent a method through which organizational culture is learned?	Stories	Conflict	Rituals	Material symbols	Conflict
34	Which of the following is NOT recognized as an important purpose of a business plan?	Development tool for organizational founders	Vision and mission clarification	Planning and evaluation guidelines	All of the selections are recognized as important purposes of abusiness plan.	All of the selections are recognized as important purposes of abusiness plan.

35	All of the following are recognized as criticisms of planning EXCEPT:	Planning may create rigidity	Planning focuses entrepreneurs' attention on tomorrow's survival but not today's competition	Plans can't be developed for a dynamic environment	Formal planning reinforces success, which may lead to failure	Planning focuses entrepreneurs' attention on tomorrow's survival but not today's competition
36	Which of the following is NOT recognized as a major area that should be included in a business plan?	Executive summary	Corporate culture differences	Analysis of the opportunity	Analysis of the context	Corporate culture differences
37	Which of the following does NOT relate to the analysis of opportunity section of a business plan?	Sizing up the market by describing the demographics of the target market	Analyzing current and proposed and governmental rules and regulations that might potentially have an impact on the entrepreneurial venture.	Describing and evaluating industry trends	Identifying and evaluating competitors	Analyzing current and proposed and governmental rules and regulations that might potentially have an impact on the entrepreneurial venture.
38	All of the following are important elements of the financial data and projections section of a business plan EXCEPT:	SWOT analysis	Projected income statements	Break-even analysis	Cost controls	SWOT analysis
39	Which of the following is NOT an important characteristic when writing a business plan?	Clear, realistic financial projections	Detailed market research	Brief summary since the investor is more interested in the details in the business plan.	Proof of vision	Brief summary since the investor is more interested in the details in the business plan.
40	A(n) _____ is a form of organization in which the owner maintains complete control over the business and is personally liable for business debts.	Sole proprietorship	General partnership	corporation	Limited liability company	Sole proprietorship
41	A(n) _____ is a form of business organization in which two or more business owners share the management and risk of the business	Limited liability company	General partnership	Corporation	Sole proprietorship	General partnership
42	A(n) _____ is a form of business organization in which there are general partners and limited liability partners.	Sole proprietorship	General partnership	Limited liability partnership	Corporation	Limited liability partnership
43	A(n) _____ is a legal business entity that is separate from its owners and managers.	Sole proprietorship	General partnership	Corporation	Limited liability company	Corporation
44	A(n) _____ is a form of legal protection for a distinctive word, name, phrase, logo, symbol, design, slogan, or any combination of these elements.	Trademark	Patent	Contract	Procedure	Trademark
45	Which of the following is NOT one of the three different types of patents?	Utility patent	Design patent	Plant patent	All of the selections if a valid type of patent.	All of the selections if a valid type of patent.
46	Which of the following is recognized as the most common type of patent?	Utility patent	Design patent	Plant patent	Cultural patent	Utility patent
47	All of the following are signals of potential decline in organizational performance EXCEPT:	Poor communication within the organization	Intolerance of work incompetence	Fear of conflict and taking risks	Negative cash flow	Intolerance of work incompetence
48	All of the following are recognized as important people practices of successful organizations EXCEPT:	Employment security	Selective hiring	Increased status differences	Training	Increased status differences

49	Which of the following is NOT a characteristic of an effective team?	External support	Clear goals	Irrelevant skills	Mutual trust	Irrelevant skills
50	In brainstorming	No criticism is allowed	Quantity of ideas is desired	None of the mentioned options	Both of the mentioned options	Both of the mentioned options
51	A technique that asks questions about objects or ideas in an effort to develop a new idea is	Heuristics	Matrix charting	Forced relationships	Attribute listing	Forced relationships
52	The solution development is	Big-Dream approach	Parameter Analysis	Creative synthesis	None of the above	Creative synthesis
53	Perceived benefits /risks involve the following factors:	Utility to customer	Consumption habits	Buying motives	All of the above	All of the above
54	A patent is	A document between government and an inventor	Grants holder protection from others making, using, or selling similar idea	A public domain	None of the above	Grants holder protection from others making, using, or selling similar idea
55	Marketing mix includes:	Product or service	Financing	Consumer	Retailer	Product or service
56	Which of the following statement is true for tax advantage of proprietorship?	There is double tax on profits	There is no capital stock tax or penalty for re tained earnings	Both of the options given	None of the options given	There is no capital stock tax or penalty for re tained earnings
57	Industry analysis should include information on:	Market size of competitor's product	Growth rate of suppliers	New products entry	Economic conditions	Economic conditions
58	We need to update the business plan because.....	Environmental factors and internal factors can change the direction of the plan	Goals set by the entrepreneurs may be unreasonable.	Goals may not be measurable.	Goals may not be specific	Environmental factors and internal factors can change the direction of the plan
59	Marketing research involves the gathering of data in order to determine information as:	Who will buy the product?	What price should be charged?	What is the most effective promotion strategy?	All of the mentioned options	All of the mentioned options
60	The most often used type of funds is	Inter nally gener ated funds	Externally generated funds	Commercial bank funds	None of the mentioned options	Inter nally gener ated funds

CLASS:III B.COM CA

COURSE NAME: ENTREPRENEURSHIP

COURSECODE:17CCU503A

UNIT:III (Institutional Service To Entrepreneurs)

BATCH 2017-2020

UNIT-III

SYLLABUS

Public And Private System: Public And Private System Of Stimulation, Support And Sustainability Of Entrepreneurship – Requirement - Availability -Access To Finance - Marketing Assistance – Technology - Industrial Accommodation - Role Of Industries/Entrepreneur’s Associations And Self-Help Groups - The Concept, Role And Functions Of Business Incubators, Angel Investors, Venture Capital And Private Equity Fund

RECENT INITIATIVES TO BOOST START-UPS AND ENTREPRENEURSHIP IN INDIA

Start-ups are new business ventures that are carried out either by single individual or in groups. Apparently, entrepreneurs are those who run these start-ups, which involve tremendous risks in terms of financial issues, apart from creating innovative and successful products or services.

Start-ups are risky in nature, but a successful entrepreneur tries to minimise risk and promote business venture through in-depth research, proper planning, and appropriate skill development. One of the main features of being a successful entrepreneur is his/her flexibility in adapting to recent trends, market growth, modern technologies, dynamic rules and financial environments.

On 28th February 2015 during his budget speech, current finance minister Arun Jaitley said that “If we really want to create jobs, we have to make India an investment destination, which permits the start of a business in accordance with publicly stated guidelines and criteria”.

FM clearly suggested that he is going to appoint a special committee that can oversee the possibility of replacing the existing multiple layer permissions which can be replaced by a pre-existing set of mechanisms that can facilitate the ease of doing business for entrepreneurs in India. Keeping the promise in line, government has formed a panel on 7th April 2015 by Department of Industrial Policy and Promotion (DIPP) to simplify the regulations and ease of doing business.

Over the years, entrepreneurship has proven to be critical to India's growth and development, given its increasing significance and visible impact in wealth-creation and employment-generation. As per The EY G20 Entrepreneurship Barometer 2013 report "The power of three: Together, governments, entrepreneurs and corporations can spur growth across the G20", India ranks 11th among G20 countries in Access to funding category. During the survey, 66 per cent of Indian entrepreneurs have said that access to private equity has improved over the three year period from 2008-2010.

World Bank's statistics on India are not very promising for the startups and the entrepreneurs. Prime Minister Narendra Modi aims to improve India's ranking to first 50 countries from 142 in the World Bank's ease of doing business rankings. But the other reports like – NASSCOM Startup report 2014 seems to be very promising and motivating. According to this report India is the fastest growing and the 3rd largest base for startup ecosystem globally only after US & UK.

The key highlights of the reports claims that India is the home for around 3,100+ start ups which is 3rd largest in the world. Around 800 plus startups are setting up annually in India every year and by 2020, a projected 11,500 startups are going to emerge employing around 250,000 people. The report also states that over 20 Mergers and Acquisitions happened in the last 3 years worth 1 billion US dollars.

This bullish trend of startups in India can be analyzed from various aspects. One is the advantage of demographic dividend that India is enjoying right now and going to enjoy for next decade or so if managed properly. Also the macro-economic environment globally is on the correction mode which is going to reflect on India's economic environment; after all it's an interconnected world now.

India has always relied on the growth of service sector and the success of IT & ITES companies which have made a mark on the International markets, and is a great source of basis for new startups like technology startups etc. Number of people using simple technology in India like internet enabled smart phones is among the highest across the world. This gives a humungous opportunity to new entrepreneurial minds across the diverse fields for startups. The overall ecosystem for start-up must be nurtured and supported by the government with the supporting initiatives to make the story rolling.

Following are some of the measures undertaken by the present NDA government towards boosting the entrepreneurship in India and especially the start-ups:

MUDRA BANK

Allocation of 20,000 crore for Micro Units Development Refinance Agency (MUDRA) Bank for the SME sector and will enhance credit facility to boost the growth of small businesses and manufacturing units. He also allocated Rs 1,000 crore for support of start-ups. Mudra Bank has been launched on 8th April 2015; it will provide credit of up to 10 lakh to small entrepreneurs. Positive news is that the bank got started last month with the beneficiaries receiving the required help. The Government's 'Make in India' initiative and its thrust on expanding the percentage of manufacturing to India's GDP has the vigor to transform the fortunes of the micro, small and medium enterprises (MSMEs) in the country. Also, with focus on Digital India and Swachh Bharat Abhiyan, the sector will get the needed impetus.

Ministry of Skill Development and Entrepreneurship

It is first time that MoS (Minister of State) has been given the responsibility of developing entrepreneurship in the country, though this task has been undertaken previously by multiple departments and agencies. UPA government witnessed entrepreneurship skill development with the departments of MSME (Ministry of Micro, Small & Medium Enterprises), NDA is doing under the scope of National Skill Development Agency.

Introducing a federal ministry for entrepreneurship and skill development shows that Mr. Modi is serious about developing and promoting entrepreneurial startups in contemporary times of advancing economies. By 2022, India have targeted to obtain skill development for about 500 million people, primarily through encouraging private players to provide viability gap funding and skill development programme initiatives. With this target in mind, and with the help of private players, it is ministries role to enforce targets are achieved and also create an ecosystem that ensures ease of doing business and nurtures entrepreneurship by eliminating bottlenecks during the process.

10,000 crore fund for venture capital in MSME sector

10,000 crore initiative is to accelerate investment from private firms to startups in the name of "equity, quasi equity, soft loans and other risk capital" to create a suitable environment for venture capital in MSME sector. In countries like US, Israel, and Singapore, public funding prevails to be the main source of funding in growing ecosystems of startups. We believe that the

present government would take lessons from such countries, and such a fund guides risk capital towards areas where it is required the most, yet mostly deficient: research, technology commercialization, product development, etc.

District level Incubation and Accelerator Programme

“District level Incubation and Accelerator Programme” across the nation will be a good start to generate new ideas and promote entrepreneurship with all the necessary support. Though, it is a positive program, but incubators are not a uniform beast. Several ventures are provided services through different kind of incubators. Hence, a broad and nationally-accepted classification is needed to comprehend the unique demands of resources from each set of incubators, to tackle difficulties they encounter, and their paths for success.

“Entrepreneur friendly legal bankruptcy framework will also be developed for SMEs to enable easy exit.”

In India, bankruptcy framework is not prevalent, allowing entrepreneurs to bounce back from their failures in business and try again. Forming a company is not complicated in this country, as many assume, but destroying a formed company is extremely difficult, with many businessmen having their first startups failed, move on to build their second or third prospering businesses. In this context, entrepreneur friendly legal bankruptcy is a significant opening move. Now it is in the hands of industry and ecosystem players to engage seriously and create a simple but efficient framework.

In India, the intention of setting up a startup investment for rupees 10,000 crores is a remarkable initiative. Even in a developed ecosystem like US, we have witnessed the potential gains of an SBIR fund on the economies of startups. Funds like such, if well structured, can entertain much required ‘real early-stage’ investment support that startups in India want today. This initiative could be an important role in producing smooth integrated funding mechanism and also in helping the funding ecosystem for startups to mature.

SETU

The government is building up an approach to be known as SETU (Self-Employment and Talent Utilization) which will strengthen all prospects of startups, and other self-employment initiatives, especially in technology-driven areas.

“By the time a great idea gets approval and the funds arrive, the people behind the ideas move on to accept high-package jobs in multinational companies, now this big boost from the government will help the budding entrepreneurs in making big”.

AIM Platform: ATAL Innovation Mission (AIM)

The 2015 budget has also established the AIM Platform or Atal Innovation Mission (AIM). AIM is established within National Institution for Transforming India (NITI) “to provide innovation promotion platform involving academicians, and drawing upon national and international experiences to foster a culture of innovation, research and development”. The 2015 budget has earmarked Rs.150 crores for the AIM Platform.

Corporate Tax to be Reduced to 25%

The 2015 Budget has announced the reduction of corporate tax rate from 30% to 25% over the next four years, starting from next financial year. It is expected that the corporate tax rate will be reduced in a phased manner to 25% over the next four years. It is expected that the reduction in corporate tax rate will lead to greater investment, higher growth and more jobs. The corporate tax rate deduction to 25% will also be accompanied by scrapping various kinds of tax exemptions and incentives for corporate taxpayers.

eBiz Portal for Starting a Business Easy

The 2015 Budget has put forward the creation of “an expert committee to examine the possibility and prepare draft legislation where the need for multiple prior permissions can be replaced by a pre-existing regulatory mechanism. This will facilitate India becoming an investment destination” by facilitating the regulatory mechanisms. Further, the 2015 Budget also talks about strengthening the EBiz Portal to make starting a business easy in India.

Central Excise and Service Tax Registration in 2 Days

For making the start of a business and getting the registrations easier, the 2015 budget announced that central excise and service tax registration will be completed within two working days.

Formation of eBiz portal

The first Government to Business (G2B) portal launched by the current NDA government is owned by DIPP under Ministry of Commerce and Industry integrates 14 regulatory permissions at a single place and has announced various labour reforms to boost job creation and entrepreneurship. The step by government is a part of facilitating the ease of doing business in India.

The current measures taken by NDA government are on the right track to boost the sentiments of new startups and the entrepreneurial ventures. While creating a balance between social responsibilities of the government to support the poor sections of the society, it is also very

important to boost the business startup that emerges as the employment & revenue generating mechanism for an economy.

While in the country like India, government alone cannot fulfill the employment opportunities also. Individuals need to come forward to help themselves, given the viable business atmosphere by the government. Adam Smith, an 18th century economist and author, in his book Wealth of Nations has talked about the “Invisible Hand” that Individuals pursuing their best self Interest would result in greater overall good to the society. If India wants to mark its presence in the global arena, this Invisible hand would be none other than our budding entrepreneurs and start-ups which can make the elephant dance again..

Angel Investor

Definition: *An individual who invests his or her own money in an entrepreneurial company*

Originally a term used to describe investors in Broadway shows, "angel" now refers to anyone who invests his or her money in an entrepreneurial company (unlike institutional venture capitalists, who invest other people's money). Angel investing has soared in recent years as a growing number of individuals seek better returns on their money than they can get from traditional investment vehicles. Contrary to popular belief, most angels are not millionaires. Typically, they earn between \$60,000 and \$100,000 a year. Which means there are likely to be plenty of them right in your own backyard.

Angels come in two varieties: those you know and those you don't know. They may include professionals such as doctors and lawyers; business associates such as executives, suppliers and customers; and even other entrepreneurs. Unlike venture capitalists and bankers, many angels are not motivated solely by profit. Particularly if your angel is a current or former entrepreneur, he or she may be motivated as much by the enjoyment of helping a young business succeed as by the money he or she stands to gain. Angels are more likely than venture capitalists to be persuaded by an entrepreneur's drive to succeed, persistence and mental discipline.

Angel investors vary widely, but they are typically willing to accept risk and demand little or no control in return for the chance to own a piece of a business that may be valuable someday.

Angels can be classified into two groups: affiliated and nonaffiliated. An affiliated angel is someone who has some sort of contact with you or your business but is not necessarily related to or acquainted with you. A nonaffiliated angel has no connection with either you or your

business. It makes sense to start your investor search by seeking an affiliated angel since he or she is already familiar with you or your business and has a vested interest in the relationship. Begin by jotting down names of people who might fit the category of affiliated angel:

Professionals. These include professional providers of services you now use--doctors, dentists, lawyers, accountants and so on. You know these people, so an appointment should be easy to arrange. Professionals usually have discretionary income available to invest in outside projects, and if they're not interested, they may be able to recommend a colleague who is.

Business associates. These are people you come in contact with during the normal course of your business day. They can be divided into four subgroups:

1. Suppliers/vendors. The owners of companies who supply your inventory and other needs have a vital interest in your company's success and make excellent angels. A supplier's investment may not come in the form of cash but in the form of better payment terms or cheaper prices. Suppliers might even use their credit to help you get a loan.
2. Customers. These are especially good contacts if they use your product or service to make or sell their own goods. List all the customers with whom you have this sort of business relationship.
3. Employees. Some of your key employees might be sitting on unused equity in their homes that would make excellent collateral for a business loan to your business. There's no greater incentive to an employee than to share ownership in the company for which he or she works.
4. Competitors. These include owners of similar companies you don't directly compete with. If a competitor is doing business in another part of the country and doesn't infringe on your territory, he or she may be an empathetic investor and may share not only capital, but information as well.

The nonaffiliated angel category includes:

Professionals. This group can include lawyers, accountants, consultants and brokers whom you don't know personally or do business with.

Middle managers. Angels in middle management positions start investing in small businesses for two major reasons--either they're bored with their jobs and are looking for outside interests, or they're nearing retirement or fear they're being phased out.

Entrepreneurs. These angels are (or have been) successful in their own businesses and like investing in other entrepreneurial ventures. Entrepreneurs who are familiar with your industry make excellent investors.

Approaching affiliated angels is simply a matter of calling to make an appointment. To look for nonaffiliated angels, try these proven methods:

Advertising. The business opportunity section of your local newspaper or The Wall Street Journal is an excellent place to advertise for investors. Classified advertising is inexpensive, simple, quick and effective.

Business brokers. Business brokers know hundreds of people with money who are interested in buying businesses. Even though you don't want to sell your business, you might be willing to sell part of it. Since many brokers aren't open to the idea of their clients buying just part of a business, you might have to use some persuasion to get the broker to give you contact names. You'll find a list of local business brokers in the Yellow Pages under "Business Brokers."

Telemarketing. This approach has been called "dialing for dollars." First you get a list of wealthy individuals in your area. Then you begin calling them. Obviously, you have to be highly motivated to try this approach, and a good list is your most important tool. Look up mailing-list brokers in the Yellow Pages. If you don't feel comfortable making cold calls yourself, you can always hire someone to do it for you.

Networking. Attending local venture capital group meetings and other business associations to make contacts is a time-consuming approach but can be effective. Most newspapers contain an events calendar that lists when and where these types of meetings take place.

Intermediaries. These are firms that find angels for entrepreneurial companies. They're usually called "boutique investment bankers." This means they are small firms that focus primarily on small financing deals. These firms typically charge a percentage of the amount of money they raise for you. Ask your lawyer or accountant for the name of a reputable firm in your area.

Angels tend to find most of their investment opportunities through friends and business associates, so whatever method you use to search for angels, it's also important to spread the word. Tell your professional advisors and people you meet at networking events, or anyone who could be a good source of referrals, that you're looking for investment capital. You never know what kind of people they know

Meaning of Business Incubators:

A business incubator is a company that helps new and startup companies to develop by providing services such as management training or office space. This is also Facility established to nurture young (startup) firms during their early months or years. It usually provides affordable space, shared offices and services, hand-on management training, marketing support and, often, access to some form of financing. Business incubators differ from research and technology parks in their dedication to startup and early-stage companies.

Research and technology parks, on the other hand, tend to be large-scale projects that house everything from corporate, government or university labs to very small companies. Most research and technology parks do not offer business assistance services, which are the hallmark of a business incubation program. However, many research and technology parks house incubation programs.

The formal concept of business incubation began in the USA in 1959 when Joseph Mancuso opened the Batavia Industrial Center in a Batavia, New York, warehouse. Incubation expanded in the U.S. in the 1980s and spread to the UK and Europe through various related forms. The U.S.-based International Business Innovation Association estimates that, there are about 7,000 incubators worldwide.

Incubation activity has not been limited to developed countries; incubation environments are now being implemented in developing countries and raising interest for financial support from organizations such as UNIDO and the World Bank

<i>SN</i>	<i>HEN</i>	<i>ENTREPRENEUR</i>
1	Builds a Nest	Contemplates starting a venture
2	Lays a clutch of eggs	Collects all resources and formalize the venture
3	Becomes Broody	Concentrates on entrepreneurial activities
4	Looses some weight	Does not get unnerved by initial teething troubles, but worries
5	Moves the eggs frequently	Becomes vigorous with the business activities and keeps a close tab
6	Provides heat	Pours in all necessary resources that may be required
7	Keeps them moist	Ensures that there is no scarcity of any resource at the beginning
8	After 12-14 days, leaves nest more often	Becomes carefree once the venture is setup and lets it run without concentration on day to day activities
9	At day 20 she moistens them again prior to hatch	Once the venture appears to be moving smooth, just gives it the final glance to ensure that all is in order as the venture is setup

Definitions of Business Incubation:

- (i) The National Business Incubation Association (NBIA) defines business incubators as a catalyst tool for either regional or national economic development.
- (ii) According to Allen and Rahman, “The universal purpose of a business incubator is to increase the chances of a firm surviving its formative years, but the business incubator also adds value by maximizing the firms’ growth potential.”
- (iii) As per Allen, “A business incubator is defined as a facility that provides affordable rent to new and small firms, shared office and logistical services, and arranges business management and financial assistance.”
- (iv) “Business incubation helps startups by providing their clients with services on a ‘one-stop-shop’ basis and enabling overheads to be reduced by sharing costs, business incubators significantly improve the survival and growth prospects of new start-ups.
- (v) Sherman and Chappell have defined “Business incubator as an economic development tool primarily designed to help create and new businesses in a community. Business incubators help emerging businesses by providing various support services, such as assistance in developing business and marketing plans, building management teams, obtaining capital, and access to a range of more special-ized professional services. They also provide flexible space, shared equipment, and administrative services”.

(vi) Dulf has stated that “A business incubator may be defined as an organization which offers a range of business developments services and access to small space on flexible terms, to meet the needs of new firms. The package of services offered by a business incubator is designed to enhance the success and growth rates of new enterprises thus maximizing their impact on economic development”.

3. Types of Incubation Services:

Since startup companies lack many resources, experience and networks, incubators provide services which helps them get through initial hurdles in starting up a business. These hurdles include space, funding, legal, accounting, computer services and other prerequisites to running the business.

Following are the most common incubator services:

- (i) They help with business basics
- (ii) They provide Networking activities
- (iii) They provide Marketing assistance
- (iv) Incubators help in Market Research
- (v) They provide High-speed Internet access
- (vi) Incubators Help with accounting/financial management
- (vii) They help in providing Access to bank loans, loan funds and guarantee programs
- (viii) Incubators help with presentation skills
- (ix) They link to higher education resources
- (x) They link to strategic partners
- (xi) They provide Access to angel investors or venture capital
- (xii) They organize Comprehensive business training programs
- (xiii) They act as Advisory boards and mentors
- (xiv) They help in Management team identification
- (xv) They help with business etiquette
- (xvi) They provide Technology commercialization assistance
- (xvii) They help with regulatory compliance
- (xviii) They provide Intellectual property management

Three Stages of Business Incubation Development:

- (i) Physical facility support – Business incubation provided within physical facility
- (ii) Support service – Business incubation as business support service
- (iii) Networking facilities -Business incubators provide networking facilities to the members.

Types of Incubators:

There are a number of business incubators that have focused on particular industries or on a particular business model, earning them their own name.

(i) Virtual Business Incubators:

These are also known as online business incubators.

Business incubators began in the 1950s and took off in the late 1990s as support for startup companies who need advice and venture capital to get their ideas off the ground. As the dot-com bubble burst, many high-tech business incubators did so too. Now the model of a business incubator is changing.

Several of the incubator companies who survived the dot-com bubble switched to a virtual model. The old incubator model required a startup venture to set up shop at the incubator's site. The virtual model, on the other hand, allows a company to garner the advice of an incubator without actually being located at the incubator site.

This new model suits those entrepreneurs who need the advice an incubator offers but still want to maintain their own offices, warehouses, etc.

(ii) Medical Incubator:

This is a business incubator focused on medical devices & biomaterials. For encouraging innovation and entrepreneurship in medical technologies, through technology, business incubation support is given to innovators, start-ups and industry.

(iii) Kitchen Incubator:

It is a business incubator focused on the food industry. Specialty foods are typically high-value and, at least in the beginning, low production. Starting a commercial kitchen from scratch can cost a huge amount of investment. The average food entrepreneur has to spend plenty before even making their first batch of food item.

This need for low-cost kitchen space has led to the development of shared commercial kitchens that can be rented for hourly or monthly rates. But finding a place to make specialty food products is only the first step. Entrepreneurs who want to make a profit have to successfully package, market, and sell their products, too and the food incubators provide help with all this.

(iv) Public/Social Incubator:

This is a business incubator focused on the public good. Social incubators aim to provide social entrepreneurs with the tools to expand their business. The challenging economic environment is changing the landscape of how we do business. At one end, some businesses avoid their social responsibility and, at the other, charities have to find ways to be more business savvy to survive. India has embraced the concept, with a twist, creating the idea of "social business".

(v) Seed Accelerator:

This is a business incubator focused on early startups. Seed accelerators, also known as startup accelerators, are fixed-term, cohort-based programs, that include mentorship and educational components and culminate in a public pitch event or demo day. While traditional business incubators are often government-funded, generally take no equity, and focus on biotech, financial technology (“FinTech”), medical technology (“MedTech”), clean tech or product-centric companies, accelerators can be either privately or publicly funded and focus on a wide range of industries.

Unlike business incubators, the application process for seed accelerators is open to anyone, but highly competitive. There are specific types of seed accelerators, such as corporate accelerator, which are often subsidiaries or programs of larger corporations that act like seed accelerators.

(vi) Corporate Accelerator:

It is a program of a larger company that acts akin to a seed accelerator. A corporate accelerator is a specific form of seed accelerator which is sponsored by an established for-profit corporation. Similar to seed accelerators they support early-stage startup companies through mentorship and often capital and office space. In contrast to regular programs, though, corporate accelerators derive their objectives from the sponsoring organization. These objectives can include the wish to stay close to emerging trends or to establish a funnel for corporate venture capital investments. Corporate accelerators differ from Business incubators, which usually have a continuous intake, due to their fixed-term, cohort-based organization (similar to seed accelerators) and are distinct to corporate venture capital which is a direct, targeted investment.

(vii) Startup Studio:

This is a business incubator with interacting portfolio companies. Startup studio, also known as a startup factory, or a startup foundry, or a venture builder, is a studio-like company that aims at building several companies in succession. This style of business building is referred to as “parallel entrepreneurship”.

Idealab, founded by Bill Gross in 1996, was one of the first to introduce the ‘incubator industry’, and has started over 75 companies. Idealab was founded to test many ideas at once and turn the best of them into companies while also attracting the human and financial capital necessary to bring them to the market.

The startup studio trend had really begun to gain momentum around 2008. Betaworks is one of the pioneers of this model. Today, there are over 65 startup studios across the world, of which 17 have been built since 2013.

(viii) Venture Builder:

These are similar to a startup studio, but builds companies internally. Venture-builders are also called tech studios, startup factories, or venture production studios: They are organizations that build companies using their own ideas and resources. Unlike incubators and accelerators, venture builders do not take any applications, nor do they run any sort of competitive program. Instead, they pull business ideas from within their own network of resources and assign internal teams to develop them such as Engineers, advisors, business developers, sales managers, etc.

Venture builders develop many systems, models, or projects at once and then build separate companies around the most promising ones by assigning operational resources and capital to those portfolio companies.

In its most basic form, the venture-building company is a holding company that owns equity in the various corporate entities it helped created. The most successful venture builders are, however, much more operational and hands-on than holding companies- They raise capital, staff resources, host internal coding sessions, design business models, work with legal teams, build MVPs (minimum viable products), hire business development managers, and run very effective marketing campaigns during their ventures' pre-and post-launch phases.

Meaning of Self-Help Group (SHG):

SHG is a holistic programme of micro-enterprises covering all aspects of self-employment, organization of the rural poor into self Help groups and their capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing.

It lays emphasis on activity clusters based on the resources and the occupational skills of the people and availability of markets.

Self-Help Group refers to self-governed, peer controlled, informal group of people with same socio-economic background and having a desire to collectively perform common purposes. Here poor people voluntarily come together to save whatever amount they can save conveniently out of their earnings, to mutually agree to contribute to a common fund and to lend to the members for meeting their productive and emergent needs.

SHGs have been able to mobilize small savings either on weekly or monthly basis from persons who were not expected to have any savings. They have been able to effectively recycle the resources generated among the members for meeting the emergent credit needs of members of the group.

SHG is a group formed by the community women, which has specific number of members like 15 or 20. In such a group the poorest women would come together for emergency, disaster,

social reasons, economic support to each other have ease of conversation, social interaction and economic interaction.

A SHG is an informal association to enhance the member's financial security as primary focus and other common interest of members such as area development, awareness, motivation, leadership, training and associating in other social inter-mediation programmes for the benefit of the entire community.

Need of Self-Help Group (SHG):

The very existence of SHGs is highly relevant to make the people of below poverty line hopeful and self-reliant. SHGs enable them to Increase their income, improve their standard of living and status in society. It acts as a catalyst for bringing this section of society to the main stream. Ultimately, the nation reaps the advantages of socialism.

The Government of India and various state Governments have been implementing various programmes for rural upliftment. However, rural poverty and unemployment still persist in the country. This problem is becoming severe and acute. The available latest statistics relating to the Indian Economy indicates that about 26% of the total population in the country belongs to the rural poor.

Considering the gravity and intensity of the problem, many Voluntary Development Organisations (VDOs) have come forward with different programmes for the rural poor in the country. These agencies undertake various innovative programmes and schemes to address the issues of poverty and unemployment prevailing in our country.

Among the various programmes "Swarna Jayanti Grama Swarojgar Yojana" (SGSY) is an important one. This programme was launched on 1st April, 1999, at 75: 25 costs sharing between Central and State Governments.

The main objective of this programme is to bring the beneficiaries above the poverty line by providing income generating assets to them through bank credit and government subsidy. The Self-Help Groups (SHGs) are the major component of this scheme.

Women are a vital part of the Indian Economy, both at the national and the household levels. They make one-third of the national labour force. Compared with their menfolk, Indian women contribute a much larger share of their earnings to basic family maintenance with the result that women's earnings positively and immediately affect the incidence and the security of poverty.

Despite all this, social conventions and gender ideology deprive them of the access to, and control over, the resources which would enable them to increase their productivity. Women form the backbone of agricultural operations and majority of agricultural labourers are woman. Seventy to eighty percent of the field work is done by women.

Most post-harvest and processing tasks are their sole responsibility. They are heavily involved in animal husbandry, particularly small livestock. About 85 percent of persons engaged in dairy production are women. Since independence, government's policy on women's development has taken varying types of emphasis: from the initial welfare oriented approach to the current focus on development and empowerment.

The planning commission, with the aim of converging the benefits in the social and economic development sectors for women in the Ninth plan, envisaged "inclusion of an identifiable women component plan in the programmes of the respective ministries right from the planning process, and to monitoring and implementation of programmes to ensure the reach of benefits to women". The Ninth Plan Document (1997-2000) also laid emphasis on the participation of people in the planning process, and the promotion of self-help groups. Self-Help Group (SHG) is a homogeneous group of poor, women. This group is a voluntary one formed on areas of common interest so that they can think, organise and operate for their development.

SHGs function on the basis of co-operative principles and provide a forum for members to extent support to each other. It is considered is a means of empowerment. SHGs organise very poor people who do not have access to financial system in the organised sector. In groups, normally transparency and accountability are lacking.

However, in a group like SHG, they are ensured through collective action of the members. This scheme mobilises the poor rural people especially women to form groups for mutual benefits. SHGs play a crucial role in improving the savings and credit and also in reducing poverty and social inequalities.

Objectives of SHG:

1. To inculcate the savings and banking habits among members.
2. To secure them from financial, technical and moral strengths.
3. To enable availing of loan for productive purposes.
4. To gain economic prosperity through loan/credit.

5. To gain from collective wisdom in organising and managing their own finance and distributing the benefits among themselves.
6. To sensitize women of target area for the need of SHG and its relevance in their empowerment.
7. To create group feeling among women.
8. To enhance the confidence and capabilities of women.
9. To develop collective decision making among women.
10. To encourage habit of saving among women and facilitate the accumulation of their own capital resource base.
11. To motivate women taking up social responsibilities particularly related to women development.
12. It acts as the forum for members to provide space and support to each other.

SHGs are considered as one of the most significant tools to adopt participatory approach for the economic empowerment of women, SHG is a group of people that meets regularly to discuss issues of interest to them and to look at solutions of commonly experienced problems. The group may or may not be promoted by Government or non-Government institutions.

The SHG is group of rural poor who have volunteered to organise themselves into a group for eradication of poverty of the members. They agree to save regularly and convert their savings into a common fund known as Group Corpus. The members of the group agree to use this common fund and such other funds that they may receive as a group through a common management.

Generally all members of the group should belong to families below the poverty line (BPL). However, if necessary, a maximum of 20% and in exceptional cases, where essentially required, upto a maximum of 30% of the members in a group may be taken from families marginally above the poverty line (APL) living continuously with BPL families and if they are acceptable to the BPL members of the group.

This will help the families of occupation groups like agricultural labourers, marginal farmers, and artisans marginally above the poverty line, or who may have been excluded from the BPL list to become members of the SHG. However, the APL member will not be eligible for the subsidy under the scheme.

The group shall not consist of more than one member from the same family; a person should not be a member of more than one group. The BPL families must actively participate in the management and decision making, which should not ordinarily be entirely in the hands of AIM, families. Further, APL members of the SHG shall not become office bearers (Group Leader, Assistance Group leader or Treasurer) of the group.

The group should devise a code of conduct (Group management norms) to bind itself. This should be in the form of regular meetings (weekly or fortnightly) functioning in a democratic manner allowing free exchange of views, participation by the members in the decision making process. The group should be able to draw up an agenda for each meeting and take up discussions as per the agenda.

The members should build their corpus through regular savings. The group should be able to collect the minimum voluntary saving amount from all the members regularly in the group meetings. Tiu- savings so collected will be the group corpus fund. The Group Corpus Fund should be used to advance loans to the members. The group should develop financial management norms covering the loan sanction procedure, repayment schedule and interest rates. The members in the group meetings should take all the loaning decisions through a participatory decision making process. The group should be able to prioritise the loan applications, fix repayment schedules, fix appropriate rate of interest for the loans advanced and closely monitor the repayment of the loan installments from the loanee.

The group should operate a group account preferably in their service area bank branch, so as to deposit the balance amounts left with the groups after disbursing loans to its members. The group should maintain simple basic records such as minute's book, attendance register, loan ledger, general ledger, cash book, Bank pass book and Individual pass books. 50% of the groups formed in each block should be exclusively for the women.

In the case of disabled persons, the groups formed should ideally be disability-specific wherever possible, however, in case sufficient number of people for formation of disability-specific groups are not available, a group may comprise of persons with diverse disabilities or a group may comprise of both disabled and non-disabled persons below the poverty line.

The SHGs broadly go through three stages of evolution such as:

I. Group formation.

II. Capital formation (through the revolving fund).

iii. Skill development and taking up of economic activity for income generation.

As SHG are formed under the Swarna Jayanti Swarojgar Yojana (SGSY), for SHGs subsidy would be 50 percent of the project cost subject to a ceiling of Rs. 1.25 lakh or per capital subsidy of Rs. 10,000 whichever is less. There is no monetary ceiling on subsidy for minor irrigation projects for SHGs as well as individual swarojgaris (self employed).

The SHGs may consist of 10-20 members and in case of minor irrigation, and in case of disabled persons and difficult areas, i.e. hilly, desert and sparsely populated areas, this number may be a minimum of five. Self Help Groups should also be drawn from the BPL list approved by the Gram Sabha.

Since the inception of the programme of SGSY (1st April, 1999) 22.52 lakh self-help groups have been formed covering 66.97 lakh swarojgaris. These include 35.54 lakh members of the SHGs and 31.43 lakh Individual swarojgaris who have been assisted with a total investment of Rs. 14403.73 crore. Out of total swarojgaris assisted, SCs/STs were 45.54 percent and women 47.85 percent. During 2006-07, the central allocation scheme is Rs. 1200 crore.

Private equity vs Venture capital – Definitions

Technically speaking, venture capital is just a subset of private equity. Both private equity and venture capitalist invest in companies, both recruit former Investment Bankers, and they both make money from investments rather than advisory fees. But if you take a closer look at them, you'll see that they're significantly different.

The term "private equity" generally refers to money invested in private companies. Such companies become private through the investment. Most people in finance, though, use "private equity" to mean firms that buy companies through leveraged buyouts (LBOs) – so that's how we'll use it here.

So Private equity in a nutshell is an investment by a Private Equity firm in a specific Company. The investment can be partial or a complete one, with the hopes of earning high returns.

When we talk about Target Company, there are various changes which can be done by the Private equity firm. Changes can be made with respect to the Strategies, Management, Expenses etc. to make it profitable.

This change helps the Target company to perform better and thus generate good returns for the Private Equity firm.

After a period of let's say 5 years, the Private equity sells the company generating profit and thus high returns through the entire transaction.

Differences between Private Equity & Venture Capital

PE firms and VCs invest in companies and make money by exiting i.e. generally selling their investments. But the way they do it is different.

	Private Equity	VC
Stage	PE firms buy mature, public companies.	VCs invest mostly in early-stage companies.
Company Types	PE firms buy companies across all industries.	Venture Capital are focused on technology, bio-tech, and clean-tech companies.
% Acquired	It is seen that the PE firms almost always buy 100% of a company in an LBO	Venture Capital only acquires a minority stake which is usually less than 50%.
Size	PE firms make large investments (\$100 Million to \$10 billion)	VC generally makes smaller investments which are often below \$10 million for early stage companies.
Structure	PE firms use a combination of equity and debt.	VCs firms use only equity (Cash)

Risk Appetite in Private equity vs Venture capital

Venture Capitalists invest in start-up funds. But are they absolutely sure that all these companies will make it big someday. Chances here are very little for 100% shots.

Hence Venture Capitalists expect that many of the companies they invest in will fail. But the hope here is that at least 1 investment will generate huge returns and make the entire fund profitable.

Also, venture capitalists invest small amounts of money in dozens of companies, and that is why this model works for them.

But this model would prove a disaster if it is applied by Private equity. In PE the number of investments is smaller and the investment size is much larger.

So even if a single company fails the entire fund would be doomed. And that is why PE funds are invested in mature companies where the chances of failure in the near future are 0%.

Return Differences in Private equity vs Venture capital

“So which model actually produces higher returns?” is the basic question that can arise in your mind.

Technically speaking each funds claim to target for higher returns but there are lot of controversies in this area.

But the actual scenario: Returns in both are much lower than what investors claim to achieve.

20% returns is what is targeted by most venture capitals and Private equity funds. But what is generally seen is that they are able to generate returns upto 10%(Except some cases).

Venture Capital: Returns are mostly dependent on top firms. They believe in investing in one big winner and making money out of it.

Private Equity:One can earn great returns without investing in the largest and most well-known companies also.

Involvement in Target Company's Operations

Private Equity:

Due to the LBO boom of the 1980's there has been a bad picture of private equity firms. Due to those experiences people have always thought of a PE as a place where companies are simply bought, people are fired, then the company is burdened with debt and finally it is sold off.

The general notion is that they finally sell the company without doing anything to improve operations. But this is the wrong notion in today's scenario.

PE firms are now working hard towards improving the companies and finding ways to expand it. And this is absolutely true in case of recessions when there's not much buying and selling of large companies.

Venture capital:

It is involved with a particular company or a project since its inception. Hence they should have a greater bond and involvement with the company.

As they're working with early-stage companies, they should have a greater incentive to improve the company.

However, in practice, their involvement depends on the firm's focus, the stage of its business life cycle, and how much the entrepreneur wants them to be involved. But note that there can always be exceptions to the above statements.

Most of the differences that we have seen are specifically dealing with the theory part of Private Equity and Venture Capital firms.

Now we are going to focus on specific differences between the two, which will help you to determine:

Interview processes involved if you want to get into any one of them.

The main point of similarities involved in the interview process is that "Both types of firms focus on your background and deal experience". But that is it. This is the only similarity.

Private Equity:

Do bear in mind that neither the Private equity interviews are for the light hearted ones nor are they a piece of cake. The interview can have a complete a case study or modeling test.

This is because they want to test you since you are going to spend so much time doing analytical and financial modeling work.

Venture Capital:

Venture Capital interviews are more qualitative and fit-focused, especially for early-stage firms. Since Venture Capitals work with companies that are smaller hence detailed financial models don't make sense here. And that's why they focus on relationships instead.

Private Equity

Since the financial modeling and due diligence work you do in PE is very similar to the transactions in investment banking, private equity firms focus on recruiting former investment banking analysts.

Also consultants and anyone with an operating background can get into PE, but then it's an uphill battle.

Venture Capital

Whereas in VC's you will see a mix of population including ex-bankers, consultants, business development people, and even former entrepreneurs.

Private Equity:

Especially at large PE firms, the work is not much different from Investment Banking. Although there is less work in comparison, but you still spend a lot of time in Excel, valuing companies, looking at financial statements, and conducting due diligence.

However the responsibility is more because you need to coordinate with accountants, lawyers, bankers, and other PE firms while you are working on a deal.

Venture Capital:

As you progress from "mega-PE fund" to "early-stage VC" the work gets less quantitative and more relationship-driven.

Some people actually dislike this because they hate cold-calling and constantly finding new companies. While some on the other hand prefer to talk to people rather than work in Excel.

So it's hard to say what's "more enjoyable" – it depends on whether you descend toward sales, analysis, or operations.

PE and VC – The Pay

You will almost always make more money in Private Equity than in Venture Capital.

The reason: In private Equity there is more money involved and fund sizes are much larger.

However, if you want to make big money in Venture capital, all you have to do is to find a company to invest which can turn out to be the next Google. But this usually is very rare.

If you have a previous Investment Banking experience then, base salaries in both industries are around \$100K with widely variable bonuses.

But on the whole, if you want to make the most amount of money in the shortest amount of time then Private equity is the option for you.

PE and VC – The Culture

The work atmosphere and the culture in Private equity is very similar to Investment banking and attracts some of the more extreme and merciless bankers.

The culture in venture capital tends to be more relaxed. Also because people come from more varied backgrounds.

People in PE more often come from pure finance backgrounds, whereas those in VC tend to be technologists turned financiers.

Overall the work hours in higher PE firms tends to be longer as compared to the VC where the approach is a “normal” workweek.

Private Equity Exit Opportunities

Hedge funds

Therefore, a lot of private equity professionals decide to move on to hedge funds, where returns and money can be earned more rapidly.

Private equity professionals get frustrated by the slow pace and tedious deal making tasks. Also it is difficult to become a millionaire overnight, it will atleast take 5-10 years.

Venture Capitalist

Some private equity professionals may also find that doing large deals is not as exciting as investing in start-ups. Hence they switch to venture capitals.

Joining a Corporate / Portfolio Company

Private equity job consists of working with the portfolio companies to help them grow. It is therefore quite common for private equity professionals to decide to go to work for one of their portfolio company in a senior position (CFO, CEO, Head of Business Development).

Role of Entrepreneurs with Relation to Enterprise

A lot of hard work goes into starting and eventually expanding an enterprise. This hard work starts with the entrepreneur and trickles down the entire organization. But this is a very broad definition and does not really appreciate and highlight the actual role of [entrepreneurs](#) with respect to their enterprises.

Initiator

The entrepreneur is the one who initiates the process of creating an enterprise by coming up with the idea for the business and planning out how to turn that idea into a reality.

Risk Taker

In an enterprise, the entrepreneur, being the owner, is the biggest risk taker. He is the one who finds the capital to back up his idea and also the person who is accountable in the face of the failure of that particular idea.

Reduces Risk

It is also one of the most important roles of entrepreneurs to reduce the risk of an enterprise failure by bringing in people that can help the organization grow. These people can be shareholders or investors that have a stake in the company and therefore are motivated to help the company succeed.

Allocator

An entrepreneur procures and allocates various resources in the organization. The most important of these resources is manpower. The entrepreneur is responsible for hiring an efficient staff to help him carry out his business. This is important because a good manager can take a business to new heights, while a bad manager can destroy the business. He is also responsible for creating an organizational structure and departments for a more efficient functioning of the enterprise.

Adhering to Legal Norms

To ensure that the enterprise adheres to legal norms and policies, such as obtaining a license is also the duty of the entrepreneur. Not pertaining to these can mean serious legal consequences for the enterprise. These could be in terms of financial losses for the organization or something even more serious such as shutting down of an enterprise.

Forecasting

Last but far from least, the role of entrepreneurs involve acting as a forecaster. The enterprise works in a business environment and is affected by changes occurring in various aspects of this environment. It could be internal, such as strikes, machinery breakdowns, budget cuts etc. or these could be external, such as legal policy changes, political or social unrest, technological advancements, etc.

An entrepreneur must be able to correctly forecast these changes and prepare the organization to deal with these changes.

Categories of accommodation business

Under the Tourism (NI) Order 1992, there are eight categories of accommodation. Each of these types of accommodation must be [certified](#) by Tourism NI. These are listed below with a brief description of the services/amenities required:

- **Hotel** - a hotel is an establishment with a minimum of 15 double bedrooms (all of which must be en suite) that is capable of providing breakfast, lunch, and an evening meal for guests.

- **Guesthouse** - a guesthouse is an establishment with a minimum of three double bedrooms (all of which must be en suite), and is capable of providing both breakfast and an evening meal.
- **Bed and breakfast (B&B)** - a B&B offers overnight accommodation whilst also providing guests with a cooked breakfast. There is no requirement to provide an evening meal and only one guest bedroom is required.
- **Hostel** - a hostel provides overnight budget accommodation for guests in shared rooms or dormitories. A hostel should have shared or en suite bathroom facilities, as well as a common kitchen and lounge area.
- **Self-catering** - a self-catering unit is a self-contained apartment, house, cottage, etc which provides furnished accommodation for visitors including sleeping accommodation and catering facilities.
- **Bunk house/Camping barn** - a bunk house or camping barn offers simple overnight shelter, often in remote locations with limited facilities and services.
- **Campus accommodation** - campus accommodation is provided by educational establishments for their students and made available to individuals, families or groups at certain times of the year, typically Easter, summer and Christmas holidays.
- **Guest accommodation** - guest accommodation is primarily focused on the provision of en suite bedrooms, for example, restaurants and pubs who wish to provide accommodation for visitors.

Importance of Technology in Entrepreneurship

It is evident that the impact of technology on our day to day lives has grown exponentially over the past decade. Whether it be laptops or cell phones, technology helps us connected with the world around us and acts as a portal to vast amounts of knowledge which can be accessed with ease. However, many new entrepreneurs do not utilize technology to its full extent to propel themselves to new heights. Following is a list of reasons of why entrepreneurs should incorporate technology in their businesses:

- **Communication:** good communication is necessary to allow efficient flow of information in a business. Technology provides multiple channels for businesses to communicate both internally and externally. Whether it's setting up virtual workspaces where employees can interact and develop ideas, or connecting to international businesses through the use of video conferencing, technology can be used as an outlet which allows businesses to collect feedback from their customers, which can be used to improve or alter a product to suit the needs of the customers better.

- **Research and Development:** through the use of technology, businesses can research the market through the use of secondary data. This is extremely useful as it provides businesses with in-depth knowledge about markets before penetrating them. Along with secondary research, businesses can use technology to conduct primary research in addition to using online surveys and customer feedback
- **Web Based Advertising:** one the most beneficial use of technology is advertising to millions of people around the globe just at a click of a button. [Web based advertising](#) consists of websites and social media. Websites can be built using DIY tools such as WordPress or SquareSpace or professional web developers can be hired to create them. Unlike websites, social media accounts are very easy to build for your business and provide exposure on a wide variety of platforms such as Facebook, Twitter and YouTube.



KARPAGAM ACADEMY OF HIGHER EDUCATION

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Under Section 3 of UGC Act 1956

Pollachi Main Road, Eachanari Post, Coimbatore - 641 021

SUBJECT: Entrepreneurship

SEMESTER: V

SUBJECT CODE: 17CCU503A

CLASS: III B Com CA

UNIT - III

S.NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4	ANSWER
1	Which of the following is not type of Bank Loans? <input type="checkbox"/>	Inventory loans <input type="checkbox"/>	Accounts payable loans <input type="checkbox"/>	Equipment loans <input type="checkbox"/>	Real estate loans <input type="checkbox"/>	Accounts payable loans <input type="checkbox"/>
2	Conventional bank loans include: <input type="checkbox"/>	Lines of credit <input type="checkbox"/>	In stallment loans <input type="checkbox"/>	Straight com mercial loans <input type="checkbox"/>	All of the mentioned options <input type="checkbox"/>	All of the mentioned options <input type="checkbox"/>
3	When an entrepreneur is unable to secure a regular com mercial bank loan, an alternative is a: <input type="checkbox"/>	Small and medium enterprise loan <input type="checkbox"/>	Character loan <input type="checkbox"/>	Small Business Ad ministration (SB Guaranty Loan <input type="checkbox"/>	Equipment loan	Small Business Ad ministration (SB Guaranty Loan <input type="checkbox"/>
4	Installment loans can be obtained by a going ven ture with a track record of: <input type="checkbox"/>	Sales and profits <input type="checkbox"/>	Customers <input type="checkbox"/>	Supplier's chain <input type="checkbox"/>	All of the mentioned options <input type="checkbox"/>	Sales and profits <input type="checkbox"/>
5	What causes people to do something? <input type="checkbox"/>	Need for achievement <input type="checkbox"/>	Need for independence <input type="checkbox"/>	Motivation <input type="checkbox"/>	None of the mentioned options <input type="checkbox"/>	Motivation <input type="checkbox"/>
6	Individuals who help the entrepreneur in business activities <input type="checkbox"/>	Role models <input type="checkbox"/>	Professional-support network <input type="checkbox"/>	Parents <input type="checkbox"/>	None of the mentioned options	Professional-support network <input type="checkbox"/>
7	The managers in an organization strongly supporting intrapreneurship is called ----- ----- <input type="checkbox"/>	Top management commitment <input type="checkbox"/>	Upper management commitment <input type="checkbox"/>	Lower management intrapreneur <input type="checkbox"/>	Upper management intrapreneur <input type="checkbox"/>	Top management commitment <input type="checkbox"/>
8	----- involves a manufacturer giving a foreign manufacturer the right to use a patent, trademark or technology in return for a roalvt <input type="checkbox"/>	Licensing <input type="checkbox"/>	Turn-key projects <input type="checkbox"/>	Management contracts <input type="checkbox"/>	None of the mentioned options <input type="checkbox"/>	Licensing <input type="checkbox"/>
9	In chronological age , most entrepreneurs start their careers between ages <input type="checkbox"/>	22 and 55 <input type="checkbox"/>	30 and 55 <input type="checkbox"/>	40 and 65	None of the given options <input type="checkbox"/>	22 and 55 <input type="checkbox"/>

10	_____ is the combination of at least two firms doing similar businesses at the same market level. <input type="checkbox"/>	Diversified activity Merger <input type="checkbox"/>	Horizontal Merger <input type="checkbox"/>	Joint Venture <input type="checkbox"/>	Vertical Merger <input type="checkbox"/>	Horizontal Merger <input type="checkbox"/>
11	Which of the following is NOT recognized as a misconception about entrepreneurship? <input type="checkbox"/>	Entrepreneurship is found only in small businesses. <input type="checkbox"/>	Entrepreneurship is easy. <input type="checkbox"/>	Successful entrepreneurship needs only a great idea <input type="checkbox"/>	Entrepreneurial ventures and small businesses are different <input type="checkbox"/>	Entrepreneurial ventures and small businesses are different <input type="checkbox"/>
12	All of the following are recognized as potential sources of entrepreneurial ideas EXCEPT: <input type="checkbox"/>	Work experiences, skills, and abilities <input type="checkbox"/>	Familiar and unfamiliar products and services <input type="checkbox"/>	Personal interests or hobbies <input type="checkbox"/>	All of the selections are recognized as potential sources of entrepreneurial ideas. <input type="checkbox"/>	All of the selections are recognized as potential sources of entrepreneurial ideas. <input type="checkbox"/>
13	An _____ is an individual who creates something for the first time, is a highly driven individual motivated by his or her own work and personal ideas. <input type="checkbox"/>	Entrepreneur <input type="checkbox"/>	Inventor <input type="checkbox"/>	Both a and b <input type="checkbox"/>	None of the given options <input type="checkbox"/>	Inventor <input type="checkbox"/>
14	The term entrepreneur came from: <input type="checkbox"/>	Latin <input type="checkbox"/>	French <input type="checkbox"/>	English (UK) <input type="checkbox"/>	none of the given options <input type="checkbox"/>	French <input type="checkbox"/>
15	The term entrepreneur is translated as: <input type="checkbox"/>	between-giver <input type="checkbox"/>	between-taker <input type="checkbox"/>	receiver <input type="checkbox"/>	giver <input type="checkbox"/>	between-taker <input type="checkbox"/>
16	The period in which the money person entered into a contract with the go-between to sell his goods is known as: <input type="checkbox"/>	middle ages <input type="checkbox"/>	18th century <input type="checkbox"/>	17th century <input type="checkbox"/>	earliest period <input type="checkbox"/>	earliest period <input type="checkbox"/>
17	-----viewed the entrepreneur as a risk taker who "buy(s) at an uncertain price, therefore operating at a risk" <input type="checkbox"/>	Eli Whitney <input type="checkbox"/>	Edward hariman <input type="checkbox"/>	Richard cantillon <input type="checkbox"/>	Thomas Edison <input type="checkbox"/>	Richard cantillon <input type="checkbox"/>
18	a ----- is a professional money manager who makes risk investment from a pool of equity capital to obtain a high rate of return on investments <input type="checkbox"/>	a) venture capitalist <input type="checkbox"/>	entrepreneur <input type="checkbox"/>	businessman <input type="checkbox"/>	buyer <input type="checkbox"/>	a) venture capitalist <input type="checkbox"/>

19	In the ----- century, the notion of an entrepreneur as an innovator was established <input type="checkbox"/>	17th century <input type="checkbox"/>	late 19th century <input type="checkbox"/>	middle of the 20th century <input type="checkbox"/>	18th century <input type="checkbox"/>	middle of the 20th century <input type="checkbox"/>
20	In almost all definitions of entrepreneurship there is agreement that we are talking about a kind of behavior that includes: <input type="checkbox"/>	initiative taking <input type="checkbox"/>	the organizing and reorganizing or social/economic mechanisms to turn resources and situations to practical account. <input type="checkbox"/>	the acceptance of risk or failure <input type="checkbox"/>	all of the given options <input type="checkbox"/>	all of the given options <input type="checkbox"/>
21	One effective way to begin the marketing plan is	To make a list of the information that will be needed to prepare the marketing plan. <input type="checkbox"/>	Gathering Data from Secondary Sources <input type="checkbox"/>	Gathering Information from Primary Sources. <input type="checkbox"/>	None of the options given <input type="checkbox"/>	To make a list of the information that will be needed to prepare the marketing plan. <input type="checkbox"/>
22	A focus group <input type="checkbox"/>	Is a sample of 10 or 12 potential investors who participate in a discussion? <input type="checkbox"/>	Is a sample of 10 or 12 potential employees who participate in a discussion? <input type="checkbox"/>	Is a sample of 10 or 12 potential customers who participate in a discussion? <input type="checkbox"/>	None of the options given <input type="checkbox"/>	Is a sample of 10 or 12 potential customers who participate in a discussion? <input type="checkbox"/>
23	The situation analysis is <input type="checkbox"/>	Defining Target Market/Opportunities and Threats. <input type="checkbox"/>	Considering Strengths and Weaknesses <input type="checkbox"/>	A review of where the company has been and considers environmental factors. <input type="checkbox"/>	None of the options given <input type="checkbox"/>	A review of where the company has been and considers environmental factors. <input type="checkbox"/>
24	One of the difficult decisions _____	Is about the distribution of the product <input type="checkbox"/>	Is determining the appropriate price for the product. <input type="checkbox"/>	Is about the promotion of the product <input type="checkbox"/>	None of the options given <input type="checkbox"/>	Is about the distribution of the product <input type="checkbox"/>
25	Which of the following statements is true for marketing system? <input type="checkbox"/>	It is all about the internal environmental factors <input type="checkbox"/>	It identifies the major interacting components, both internal and external <input type="checkbox"/>	It's about the financial needs of the venture <input type="checkbox"/>	None of the options given	It identifies the major interacting components, both internal and external <input type="checkbox"/>
26	In setting marketing goals and objectives the entrepreneur must <input type="checkbox"/>	Set the price <input type="checkbox"/>	Distribution place <input type="checkbox"/>	Must satisfy customers <input type="checkbox"/>	None of the above <input type="checkbox"/>	None of the above <input type="checkbox"/>

27	The financial plan provides a complete picture of: <input type="checkbox"/>	How much and when the funds are coming into the organization. <input type="checkbox"/>	Where the funds are going. <input type="checkbox"/>	How much cash is available? <input type="checkbox"/>	All of the options given <input type="checkbox"/>	All of the options given <input type="checkbox"/>
28	Before developing the pro forma income statement, the entrepreneur should <input type="checkbox"/>	Prepare operating budgets <input type="checkbox"/>	Capital budgets. <input type="checkbox"/>	None of the options given <input type="checkbox"/>	Both of the options given (a, <input type="checkbox"/>	Both of the options given (a, <input type="checkbox"/>
29	Which of the following statement is true? <input type="checkbox"/>	Cash flow is same as profit. <input type="checkbox"/>	Profit is the result of subtracting expenses from sales. <input type="checkbox"/>	Cash flow results from the difference between all cash available and cash payments. <input type="checkbox"/>	Cash flows only when actual payments are not made but only receive <input type="checkbox"/>	Profit is the result of subtracting expenses from sales. <input type="checkbox"/>
30	Which of the statement is not true? <input type="checkbox"/>	The S Corporation combines the tax advantages of the partnership and the corporation. <input type="checkbox"/>	S Corporations represent almost half of all corporate filings. <input type="checkbox"/>	A popular new entity is the limited liability company (LLC) <input type="checkbox"/>	Limited liability Company (LLC) offers similar disadvantages as the S Corporation <input type="checkbox"/>	Limited liability Company (LLC) offers similar disadvantages as the S Corporation <input type="checkbox"/>
31	Personal characteristics to be a successful entrepreneur includes <input type="checkbox"/>	Understanding environment <input type="checkbox"/>	Creating management options <input type="checkbox"/>	Encourage open discussion <input type="checkbox"/>	All of the above <input type="checkbox"/>	All of the above <input type="checkbox"/>
32	Without top management commitment, the organization will <input type="checkbox"/>	Be able to make changes <input type="checkbox"/>	Not be able to make any changes <input type="checkbox"/>	Not be able to make effective changes <input type="checkbox"/>	None of the above <input type="checkbox"/>	Not be able to make any changes <input type="checkbox"/>
33	locus of control is <input type="checkbox"/>	A feeling <input type="checkbox"/>	Attitude <input type="checkbox"/>	Attribute <input type="checkbox"/>	None of the above <input type="checkbox"/>	Attribute <input type="checkbox"/>
34	Entrepreneurial experience becomes increasingly important as <input type="checkbox"/>	Work load increases <input type="checkbox"/>	Complexity of venture increases <input type="checkbox"/>	Complexity of work increases <input type="checkbox"/>	None of the above <input type="checkbox"/>	Complexity of venture increases <input type="checkbox"/>
35	Entrepreneurs are concerned about basic issues of: <input type="checkbox"/>	Sales, costs and benefits <input type="checkbox"/>	Customers, sales and costs <input type="checkbox"/>	Risk, costs and benefits <input type="checkbox"/>	None of the above <input type="checkbox"/>	Sales, costs and benefits <input type="checkbox"/>
36	Licensing arrangements have <input type="checkbox"/>	Low risk process involved <input type="checkbox"/>	Easy way to generate incremental income <input type="checkbox"/>	Several pitfalls <input type="checkbox"/>	All of the above <input type="checkbox"/>	All of the above <input type="checkbox"/>
37	Joint ventures have been used by entrepreneur: <input type="checkbox"/>	When the entrepreneur wants to purchase local knowledge <input type="checkbox"/>	When rapid entry in to the market is needed <input type="checkbox"/>	Both of the options given <input type="checkbox"/>	None of the above <input type="checkbox"/>	Both of the options given <input type="checkbox"/>

38	A horizontal merger is <input type="checkbox"/>	Is the combination of firms in successive stages of production <input type="checkbox"/>	Is the combination of firms that produce closely related projects in same area <input type="checkbox"/>	Is the combination of firms that produce same products and sell in different areas <input type="checkbox"/>	None of the above <input type="checkbox"/>	Is the combination of firms that produce closely related projects in same area <input type="checkbox"/>
39	Main reason(s) for merger is (are) <input type="checkbox"/>	When synergy is present <input type="checkbox"/>	When complementary resources can be combined <input type="checkbox"/>	Economies of scale can be achieved <input type="checkbox"/>	All of the above <input type="checkbox"/>	All of the above <input type="checkbox"/>
40	First stage of production planning and development processes is <input type="checkbox"/>	Idea stage <input type="checkbox"/>	Concept stage <input type="checkbox"/>	Establishing and evaluating criteria stage <input type="checkbox"/>	None of the above <input type="checkbox"/>	Establishing and evaluating criteria stage <input type="checkbox"/>
41	The importance of intellectual property should be understood by entrepreneur even before _____.	Hiring a manager <input type="checkbox"/>	Engaging an attorney <input type="checkbox"/>	Developing a product <input type="checkbox"/>	Establishing new venture <input type="checkbox"/>	Engaging an attorney <input type="checkbox"/>
42	Which of the following is not followed in brainstorming? <input type="checkbox"/>	Criticism is done by the group members <input type="checkbox"/>	The wilder idea is better <input type="checkbox"/>	Quantity of ideas is required <input type="checkbox"/>	The session should be fun, with no one dominating the discussion <input type="checkbox"/>	Criticism is done by the group members <input type="checkbox"/>
43	The former USSR received technology and syrup from Pepsi and provided it with Soviet vodka and rights to distribute it in the US. This is an example of: <input type="checkbox"/>	Economic development <input type="checkbox"/>	Barter system <input type="checkbox"/>	Balance of payment <input type="checkbox"/>	International trade <input type="checkbox"/>	Barter system <input type="checkbox"/>
44	A patent is granted for a specified amount of time because of the assumption: <input type="checkbox"/>	During this time firm will cover its development costs <input type="checkbox"/>	Firm will earn a sufficient profit during this period <input type="checkbox"/>	To limit the monopoly of the firm <input type="checkbox"/>	It will stimulate idea and development of a better product <input type="checkbox"/>	It will stimulate idea and development of a better product <input type="checkbox"/>
45	Developing a new idea through inquiry and testing is called _____.	Heuristics <input type="checkbox"/>	Scientific method <input type="checkbox"/>	Forced relationship <input type="checkbox"/>	Value analysis <input type="checkbox"/>	Scientific method <input type="checkbox"/>
46	In an international perspective, which of the following decisions are not covered under strategic planning of an entrepreneur? <input type="checkbox"/>	What are unique characteristics of each market? <input type="checkbox"/>	Who should be involved in marketing decisions? <input type="checkbox"/>	What customer benefits are provided by the product <input type="checkbox"/>	What are the company's major strengths and weaknesses? <input type="checkbox"/>	What are unique characteristics of each market? <input type="checkbox"/>

47	Which of the following grants the owner protection from anyone else making, using and selling the identified innovation? <input type="checkbox"/>	Utility patent <input type="checkbox"/>	Design patent <input type="checkbox"/>	Plant patent <input type="checkbox"/>	International patent <input type="checkbox"/>	Utility patent <input type="checkbox"/>
48	The problem inventory analysis should be used primarily to: <input type="checkbox"/>	Reflect a new business opportunity <input type="checkbox"/>	Identify product idea for further evaluation <input type="checkbox"/>	Solve unknown problems <input type="checkbox"/>	Develop a list of problems <input type="checkbox"/>	Identify product idea for further evaluation <input type="checkbox"/>
49	Selling goods to another country through a person in the entrepreneur's home country is known as _____. <input type="checkbox"/>	Export <input type="checkbox"/>	Direct export	Indirect export <input type="checkbox"/>	Domestic sales <input type="checkbox"/>	Indirect export <input type="checkbox"/>
50	Which of the following statements is not true about trademarks? <input type="checkbox"/>	A trademark could be a slogan or a particular sound <input type="checkbox"/>	Some trademarks have no relationship with the product <input type="checkbox"/>	The filing date for the trademark becomes the first date use of the mark <input type="checkbox"/>	The entrepreneur can not file after the mark already been in use <input type="checkbox"/>	The entrepreneur can not file after the mark already been in use <input type="checkbox"/>
51	The product life cycle is included in which stage of product planning and development process? <input type="checkbox"/>	Test marketing stage <input type="checkbox"/>	Product development stage <input type="checkbox"/>	Commercialization stage <input type="checkbox"/>	Product planning and development process is a part of product life cycle <input type="checkbox"/>	Commercialization stage <input type="checkbox"/>
52	Which of the following can not be covered under the copyright protection? <input type="checkbox"/>	Computer software <input type="checkbox"/>	Computer hardware <input type="checkbox"/>	Poems and songs <input type="checkbox"/>	Models and sculpture <input type="checkbox"/>	Computer hardware <input type="checkbox"/>
53	Idea of new product is tested in potential consumers to determine consumer acceptance at _____ stage. <input type="checkbox"/>	Concept <input type="checkbox"/>	Product development <input type="checkbox"/>	Test marketing <input type="checkbox"/>	Commercialization <input type="checkbox"/>	Concept <input type="checkbox"/>
54	According to the governing bodies of common laws, the life of trade secret is: <input type="checkbox"/>	12 years <input type="checkbox"/>	17 years <input type="checkbox"/>	20 years <input type="checkbox"/>	As long as it remains confidential <input type="checkbox"/>	As long as it remains confidential <input type="checkbox"/>
55	Which of the following is used by entrepreneurs to acquire experience in an international market before making a major commitment? <input type="checkbox"/>	Merger <input type="checkbox"/>	Joint venture <input type="checkbox"/>	Minority interest <input type="checkbox"/>	Majority interest <input type="checkbox"/>	Minority interest <input type="checkbox"/>

56	The evaluation criteria for the new product should include all of the following except: <input type="checkbox"/>	Determination of market demand <input type="checkbox"/>	Determination of the suppliers <input type="checkbox"/>	Pricing and marketing policies of other competing firms <input type="checkbox"/>	Product should be profitable <input type="checkbox"/>	Determination of the suppliers <input type="checkbox"/>
57	Licensing is a significant marketing strategy to: <input type="checkbox"/>	Use intellectual property of others <input type="checkbox"/>	Pirate others' patents <input type="checkbox"/>	Grow the business in new markets <input type="checkbox"/>	Control the costs	Grow the business in new markets <input type="checkbox"/>
58	Automated stock replenishment, electronic selling and processing of customers orders and payments are examples of: <input type="checkbox"/>	E-business <input type="checkbox"/>	E-commerce <input type="checkbox"/>	E-trading <input type="checkbox"/>	E-transaction <input type="checkbox"/>	E-business <input type="checkbox"/>
59	The longest lasting trade agreement with the objective of liberalizing trade by eliminating or reducing tariffs, subsidies and quotas is _____. <input type="checkbox"/>	Free trade area – FTA <input type="checkbox"/>	European community – EC <input type="checkbox"/>	General agreement on tariffs and trade – GATT <input type="checkbox"/>	The north American free trade agreement – NAFTA <input type="checkbox"/>	General agreement on tariffs and trade – GATT <input type="checkbox"/>
60	The most important characteristic of a successful business website is <input type="checkbox"/>	Speed <input type="checkbox"/>	Innovation <input type="checkbox"/>	Graphics <input type="checkbox"/>	Products <input type="checkbox"/>	Speed <input type="checkbox"/>

UNIT-IV - SOURCES OF BUSINESS IDEAS AND TESTS OF FEASIBILITY

SYLLABUS

Sources of business ideas and tests of feasibility: Significance of Writing the Business plan - Project Proposal - Contents Of Business Plan/ Project Proposal - Designing Business Processes – Location – Layout - Operation, Planning & Control - Preparation Of Project Report -Project Submission/ Presentation and Appraisal Thereof By External Agencies, Such As Financial/Non-Financial Institutions

Sources of Business Ideas and test of feasibility:

Sources of Business Ideas or Project identification is a difficult task faced by an entrepreneur. He comes across several investment opportunities. In the first instance, he has to select a few projects which have been subjected to preliminary evaluation. Project identification is concerned with the collection, compilation and analysis of economic data for the eventual purpose of locating possible opportunities for investment and with the development of the characteristics of such opportunities.

According to Peter F. Drucker, opportunities are of three kinds: additive, complementary and breakthrough. *Additive opportunity* is concerned with utilizing the existing resources without making any change. *Complementary opportunity results* in introduction of new ideas and involves change. *Breakthrough* involves drastic and fundamental changes in the existing business. Risk is least in additive opportunities, greater in complementary and greatest in breakthrough opportunities. Bearing in mind these factors and expecting a fair return on investments, the entrepreneur has to choose a project. A few guidelines which help him choose the right line of project are given below.

Choosing the Right Line of Activity

The primary decision to be made by a prospective entrepreneur is choosing the right line of activity. The very success of his venture will depend on the rationality of his decision in the regard.

A business opportunity is born as an impulse during the course of interaction of the entrepreneur with the environment. He proceeds if a competitive advantage is sensed in the following three areas :

- Procurement of scarce resources.
- Access to technical know-how.
- Market.

Nowadays more importance should be given to the third factor, i.e., market.

Then a business potential examination involving a cursory examination of the market, production and financial. Parameters is done through further reading/discussions to see whether the competitive advantage sensed earlier could be exploited to set-up an industry of the magnitude envisaged. A satisfactory response invokes further probing in the form of market survey, feasibility study, etc. If the scheme looks attractive and the degree of calculated risk provides the entrepreneur with an adequate level of confidence, he embarks on further development like a detailed project report, raising funds, obtaining detailed know how, etc.

Primarily the choice of a product is the identification of a market niche and comprises an analysis all analysis based on answers to questions such as:

- Is there an unfulfilled need for this product?
- What are the unique features that distinguish this product or service from those offered by other firms?
- Who is the potential customer?
- How and at what cost is the customer to be informed of the product or service?
- What is the estimated size of the market?
- How should product or service be distributed?
- What prices can be charged which will be competitive yet yield a reasonable profit?
- What are the personal strengths and weaknesses which meet/detract from meeting the above identified-needs of the market?

Before taking a decision on the line of activity it is imperative for the promoter to have an

interaction with the environment over as wide an areas as possible, so that the ambit, within which he makes the decision, is large enough to enclose most of the opportunities around. Some important areas from which product ideas may emerge are the following :

- Survey of raw materials - agricultural, minerals, forest, animal husbandry, etc.
- Survey of local skills based on which suitable industries can be identified.
- Study of import statistics may reveal some commodities which can be indigenously manufactured.
- Study of export statistics will indicate trends in exports and the possibility of increasing exports for certain products. It may indicate certain products which can be further processed in the country.
- Study of world trade may indicate certain goods in which the country enjoys price advantage and can be manufactured for exporting.
- Study of the stores requirement for major industries and organisations will reveal the requirement of various items.
- Study of development plans will reveal future requirement for certain products or services.
- Study of Government policies regarding industrialization, exports, imports, development of backward areas, etc.
- Study of new process/products developed by organizations like National Research Development Corporation, Directorate General of Technology. Development, Council of Scientific and Industrial Research, Indian Space Research Organization, Bhabha Atomic Research Centre, etc.
- Study of potential for tourism – hotels, motels, house boats, etc.
- Project ideas also develop while seeking solutions to our day-to-day problems.

But in reality, the case is quite different. A major constraint faced especially in developing countries is the resources constraint. Hence it becomes imperative that certain project ideas are only taken up or pursued in preference to others. How to make this decision or choose only a few projects for implementation? Project formulation techniques help us in making a choice. When we say project formulation, we mean that a project idea is presented in such a form that it

can be subjected to comparative appraisal. This process will aid in definitely determining the priority of projects from the point of view of resource allocation. The project ideas can be analysed from the point of view of inputs as well as outputs. Such an analysis when presented to decision maker or to consulting agencies will help them in decision-making. These strategy analysis project ideas not only from the view point of technical feasibility and financial viability but also evaluates the sum total effect which the project will have on the society and the immediate environment.

Here are some of the sources of business ideas*a) Surveys.*

Business ideas can be generated from market surveys indicating or showing which sector is viable or possibly void of products. People can check the market to come out with appropriate conclusions on which sectors are not flooded or occupied.

b) Training.

Business ideas can be acquired through training individuals where they are equipped with necessary skills and knowledge from schools and such other institutions of training.

c) Experience.

An idea can also be generated from experience. Experience in itself comes from constant touch on a particular aspect. For instance, an individual might have an experience in accounting through his or her occasional involvement with accounting issues.

d) Hobbies.

Hobbies are what one is fond of doing most of his or her time. At least each and every one finds something interesting and comfortable doing every time. Well, that might be a source of a business idea.

e) Talents.

A business idea can also come from individual talents. You are best in what you are talented in and this might form a good base for starting a business if you spot an idea in that area. For instance, if you are talented to play football, you might spot an idea in supplying football kits to customers in the market.

f) Strengths of an individual.

An individual's strength can also serve as a source of idea which is tuned to an idea for carrying out business. For instance, if you have a particular strength in helping out clients through consultations, that could form a base to start a business.

g) Market gaps (niche)

Spotting a gap in the market can also form an idea. A market gap in this case is used to mean some important area that is not occupied. Sometimes, a particular area in the market may be empty with nobody really providing some goods or services needed by customers. This is what can be formed to an idea.

h) Events.

A business can also be generated through attending events in which new ideas are exchanged. For instance, an event that is scheduled in some other place can be very good opportunity to find out what is missing in that particular place and by providing such products, you satisfy customers' needs which is one of the reasons of doing business.

i) Media.

An idea can also come from the media. Reading magazines, newspapers and such published materials that contain business related issues can help one generate an idea. An idea can still come from the other media sources like television stations and radios. Discussions related to business topics can be very useful in generation of an idea.

j) Shows and exhibition.

An idea can also be extracted from shows and exhibitions. By seeing what other people presents in the shows and exhibitions, an individual can come up with an idea of providing something like what he or she has seen others do.

k) Recognizing needs.

An idea can also be generated from recognition of what customers need in the market. If for instance customers are frequently demanding maize flour instead of maize itself, one can come in to provide the maize flour demanded by customers.

l) Merging existing businesses.

Business people can also come up together to merge their business as a new development towards achieving or getting more customers or for provision of better services to customers.

m) Listening to what people say.

A business idea can also be generated through listening from other people's thoughts. This is more so important when you socialize with great minds or such people who have tried out businesses or those who actually are in businesses.

Significance of Writing the Business Plan:

Unless commitment is made, there are only promises and hopes; but no plans — Peter F. Drucker

Before writing a business plan, it is important to consider two important factors-

- Who will the reader be? For example,

If you are interested in raising capital, it is very likely that investors will be your target audience. If you are interested in partnerships or joint ventures, your potential business partners will be your audience.

- What do you want their response to be?

Depending on your target audience, focus on the key message you want them to receive in order to get the response you want.

Here are 4 reasons why you need a business plan

1. To raise money for your business

Potential investors or lenders want a written business plan before they give you money. A mere description of your business concept is not enough. Instead, ensure you have a thorough business and financial plan that demonstrates the likelihood of success and how much you will need for your business to take off.

2. To make sound decisions

As an entrepreneur, having a business plan helps you to define and focus on your business ideas and business strategies. You not only concentrate on financial matters, but also on management issues, human resource planning, technology and creating value for your customer.

3. To help you identify potential weaknesses

Having a business plan helps you to identify potential pitfalls in your idea. You can also share the plan with others who can give you their opinions and advice. Identify experts and professionals who are at a position to give you invaluable advice, and share your plan with them.

4. To communicate your ideas with stakeholders

A business plan is a communication tool that you can use to secure investment capital from financial institutions or lenders. It can also be used to convince people to work for your enterprise, to secure credit from suppliers, and to attract potential customers.

Creating a business plan involves a lot of thought. You need to consider what you want to do, and use that as a starting point. It doesn't need to be complicated. At its core, your plan should identify where you are now, where you want your business to go, and how you will get there.

Writing a good business plan, the Ernst and Young Business Plan Guide adds, can't guarantee success, but it can go a long way toward reducing the odds of failure.

PROJECT FORMULATION

Project formulation is defined as taking a first look carefully and critically at a project idea by an entrepreneur to build up an all-round beneficial to project aftercarefully weighing its various components. It is formulated by the entrepreneur with the assistance of specialists or consultants. Project formulation is, therefore, a process whereby the entrepreneur makes an objective and independent assessment of the various aspects of an investment proposition of a project idea for determining its total impact and also its liability. By all means, this strategy forms an important stage in the pre-investment phase – that is the period from the conception of an idea until the final analysis to decide about the future of a project idea. This makes it an analytical management aid. The aim of project formulation is to achieve the project objectives with the minimum expenditure and adequate resources. In other words, it is to derive maximum benefits from minimum expenses in a short span of time.

Formulation of project report business plan is one of the corner stones to be laid down in setting up an enterprise. This section is devoted to make you understand what is and how to make a right project report.

PROJECT PROPOSAL:

As an entrepreneur who writes proposals all the time: No two proposals are ever the same. When my literary agency has to write a book proposal, it can run 50 to 60 pages. When putting together a keynote speech, proposal is a one-pager. For the Diamond Group, the company through which is license products, my proposals go into great detail and are extremely lengthy. So if you were to ask how long a good proposal should be, my answer would be "It depends."

But a proposal's effectiveness is not judged by its weight, or even by what is written on the paper. A proposal's effectiveness is based solely on the value you bring to the table. When you do your initial presentation, that's part of your proposal. When you meet your prospects for the first time, shake hands and talk about their kids, that's part of the proposal. When you start listening and asking questions, that's part of the proposal. Because when it comes down to putting something on paper, no matter which way you do it, all these other elements come into play. What you're proposing is the framework for a relationship. Sometimes, when the relationship is complicated by technical issues, a long proposal is necessary to help the prospect make a decision. Other times, the proposal's purpose is simply to make sure everybody is on the same page.

It's not easy to write an effective proposal; there are no rules that cover every industry and every circumstance. But there are steps you can take to ensure that your proposal gets the job done.

1. Focus on the customer's hot buttons. A proposal should focus on how your product or service will help prospects achieve their goals and meet their objectives. Although you may have a standard template you usually use, each proposal should be individualized to meet the particular prospect's needs.

2. Keep it as short as possible. There are times--especially when technical statistics and complicated products are involved--when proposals need to be packed with data. Otherwise, you should keep the proposal as short as possible while still making sure it contains all the necessary information. Proposals that have gorgeous covers, include press releases and a dozen testimonial letters may look good, but the truth is that 99 percent of the time, the prospect will flip through all those pages and go right to the dollars, and you end up selling on price instead of value. Focus instead on what the client really wants to know.

3. Ask the prospect how to write the proposal. Say this: "If you were to get the proposal right now, what would be the three most important points that would help you make a buying decision?" Have the prospect prioritize those points, and then construct your proposal accordingly. If the prospect has formal proposal requirements, ask whether he or she has written guidelines you can follow or even a previous proposal you can review to make sure yours fits within the proper parameters.

Contents of Business Plan/ Project Proposal:

In simple words, business plan is a written statement of what an entrepreneur proposes to take up. It is a kind of guide frost or course of action what the entrepreneur hopes to achieve in his business and how is he going to achieve it. In other words, business plan serves like a kind of big road map to reach the destination determined by the entrepreneur. Webster New 20th Century Dictionary defines a project as a scheme, design, a proposal of something intended or devised. Let some important definitions of business plan be presented.

Mar J. Dollinger has defined the business plan as “the formal written expression of the entrepreneurial vision, describing the strategy and operations of the proposed venture.” According to Jack M. Kaplan, “The term business plan means the development of a written document that spells out like a roadmap where you are, where you want to be, and how you want to get there.” Thus, a business plan or project report can best be defined as a well evolved course of action devised to achieve the specified objective, i.e. setting up a small business enterprise within a specified period of time. So to say, business plan is initially an operating document.

The business plan is termed by different names by its different intended interest audience. For example, when presented to a bank, it may be called ‘loan proposal.’ a venture capital group might call it the ‘venture plan’ or ‘investment prospects’ and a common man may term it ‘project report.’

Let it be called by any name, its basic purpose is the same, i.e. to serve as a road-map in setting up a business enterprise.

Contents of Business Plan:

Having gone through the significance of business plan, it is now clear that there is no substitute for a well-prepared business plan or project report and also there are no shortcuts to preparing it. The more concrete and complete the business plan, the more likely it is to earn the respect of outsiders and their support in making and running an enterprise. Therefore, the business plan needs to be prepared with great care and consideration.

A good project report or business plan should contain the following contents:

In order to process investment proposals and arrive at investment decisions, the Planning Commission of India has also issued some guidelines for preparing/formulating realistic industrial projects. So far as feasibility report is concerned, it lies in between the project formulating stage and the appraisal and sanction stage. The project formulation stage involves the identification of investment options by the enterprise and in consultation with the Administrative Ministry, the Planning Commission and other concerned authorities.

Realising the usefulness of these guidelines, these guidelines are presented in a summarised manner as following:

I. General Information : The feasibility report should include an analysis of the industry to which the project belongs. It should deal with the past performance of the industry. The description of the type of industry should be given, i.e., the priority of the industry, increase in production, role of the public sector, allocation of investment of funds, choice of technique, etc. This should also contain information about the enterprise submitting the feasibility report.

2. Preliminary Analysis of Alternatives : This should contain present data on the

gap between demand and supply for the outputs which are to be produced, data on the capacity that would be available from the projects that are in production or under implementation at the time the report is prepared, a complete list of all existing plants in the industry, giving their capacity and level of production actually attained, a list of all projects for which letters of intents/licenses have been issued and a list of proposed projects. All options that are technically feasible should be considered at this preliminary stage. The location of the project as well as its implications should also be looked into. An account of the foreign exchange requirement should also be taken. The profitability of different options should also be given. The rate of return on investment should be calculated and presented in the report. Alternative cost calculations vis-a-vis return should be presented.

3. Project Description :

The feasibility should provide a brief description of the technology/process chosen for the project. Information relevant to determining optimality of the locations chosen should also be included. To assist in the assessment of the locations chosen should be included. To assist in the assessment of the environmental effects of project, every feasibility report must present the information on specific points, i.e., population, water, air, land, flora and fauna, effects arising out of project's pollution, other environmental discretions etc. The report should contain a list of the operational requirements of the plant, requirements of water and power, requirements of personnel, organizational structure envisaged, transportation costs, activity-wise phasing of construction and factors affecting it.

Market Plan it should contain the following items

- (a) Data on the marketing plan.
- (b) Demand and prospective supply in each of the areas to be served.

The method and data used for main estimates of domestic supply and selection of the market areas should be resented. Estimates of the degree of price sensitivity should be presented. It should contain an analysis of past trends in prices.

5. Capital Requirements and Costs : The estimates should be reasonably complete and properly estimated. Information on all items of costs should be carefully collected and presented.

6. Operating Requirements and Costs : Operating costs are essentially those costs which are incurred after the commencement of commercial production. Information about all items of operating cost should be collected; operating costs relate to the cost of

raw materials and intermediates, fuel, utilities, labour, repair and maintenance, selling expenses and other expenses.

7. Financial Analysis : The purpose of this analysis is to present some measures to assess the financial viability of the project. A proforma Balance Sheet' for the project data should be presented. Depreciation should be allowed for on the basis of specified by the Bureau of Public Enterprises. Foreign exchange requirements should be cleared by the Department of Economic Affairs. The feasibility report should take into account income tax rebates for priority industries, incentives for backward areas, accelerated depreciation, etc. The sensitivity analysis should also be presented. The report must analysis the sensitivity of the rate of return of change in the the level and pattern of product prices.

8. Economic Analysis : Social profitability analysis needs some adjustment in the data relating to the costs and returns to the enterprise. One important type of investment involves a correction in input and costs, to reflect the true value of foreign exchange, labour and capital. The enterprise should try to assess the impact of its operations on foreign trade. Indirect costs and benefits should also be included in the report. If they cannot be quantified, they should be analysed and their importance emphasized.

9. Miscellaneous Aspects : The preceding three areas are deemed appropriate to almost every new small enterprise. Notwithstanding, depending upon the size of the operation and peculiarities of a particular project, other items may be consider important to be applied out in the project report. To mention, probable use of minicomputers or other electronic data processing services, cash flow statements, method of accounting etc., may be of great use in some small enterprises.

Designing Business Processes:

A general set of information given in any project report is listed by Vinod Gupta in his study on "Formulation of a Project Report", which is reproduced, below, the following are broad heads under which complete information on relevant aspects should be included in the project report:

- General Information.
- Project Description.

- Market Potential.
- Capital Costs and Sources of Finance.
- Assessment of Working Capital Requirements.
- Other Financial Aspects.
- Economic and Social Variables.

1. **General Information :** To begin with, some information of general nature should be provided. The following are some such aspects :

(a) **Bio-Data of Promoters**

–Name and address of the entrepreneur.

–The qualifications, experience and other capabilities of the entrepreneur.

If there are partners, state the characteristics of all the partners individually.

(b) **Industry Profile :** A little reference of analysis of industry to, which the project belongs, e.g., past performance, present status, the way it is organised, the problems it faces, etc.

(c) **Constitution and Organisation**

–The constitution and the organisational structure of the enterprise. In case of a partnership firm, whether it is registered with the Registrar of Firms.

–Whether a Registration Certificate from the Directorate of Industries/ District Industries Centre has been obtained or will be applied later on.

(d) **Product Details :** The utility of the product and the range of products to be manufactured. One could even provide the product designs/drawings alongwith and made a mention of the advantages the proposed product offers over its substitutes.

2. **Project Description :** A brief description of the project covering the following aspects should be given in the project report.

(a) **Site :** Location (town, street, number etc.) whether owned or leasehold land; whether the site is in approved industrial area? Is it suitable to the type of enterprise

being planned? The open/covered area availability needed should be mentioned. If the location is in a residential area then the copy of No Objection Certificate from the Municipal authorities should be attached.

(b) Physical Infrastructure : Availability of physical infrastructure consisting of the following items :

(i) Raw Material : Whether imported raw material is also required? If

so whether the licence has been obtained. Which are the sources of raw material and what is the probability of getting it on a continuous basis at fair prices?

(ii) Skilled Labour : Whether skilled labour is available in that area? If not, what arrangements have been made to train the labour in various skills?

(c) Utilities

(i) Power : Inadequate supply of electricity or its high unit cost in an area may become a major constraint in running a project. The project report should contain the information regarding the power requirements, the load sanctioned, stability of supply of power and the price at different consumption levels.

(ii) Fuel : Whether other fuel items like coal, coke, oil or gas, are required and if yes, then state their availability position.

(iii) Water : Water is an important factor for projects like brewery, tannery, ice plant, soft drinks and chemicals. The source and the quality of water in such cases should be clearly stated.

(d) Pollution Control : Most industrial plants produce waste material or emissions that may create significant problems. The emission may be of various types like (i) gaseous (smoke, fumes, etc.) (ii) physical (noise, heat, vibration, etc.) or (iii) liquid or solid discharge through pumps and sewers. State clearly the aspects like scope of dumps, sewage system and sewage treatment plant.

(e) Communication System : Availability of communication facilities, e.g., telephone, telex etc. should be stated in the report.

(f) Transport Facilities : The distances over which the basic material inputs will have to be transported and the available as well as potential means of

transportation should be stated together with expected bottlenecks, if any.

- (g) **Other Common Facilities** : Availability of facilities like machine shops, welding shops and electrical repair shops, etc.
 - (b) **Manufacturing Process** : The details of production and the process involved should be clearly stated. Also state the period of conversion from raw material into finished goods. A process flow chart should be presented.
 - (i) **List of machinery and Equipment** : A complete list of items of machinery and other equipment indicating their type, size and cost should be furnished. Sources of supply of capital equipment and the construction services should also be given. Check machinery/equipment for each of the above stated processes is ensured. If not, explain how such processes will be get done.
 - (j) **Capacity of the Plant** : The installed licensed capacity should be stated. Also state whether the unit will run on single, double or triple shift basis.
 - (k) **Technology Selected** : Is it up-to-date and appropriate? Which other units are using the same technology and with what results? How is required know how proposed to be arranged?
 - (l) **Balancing of Plant** : While stating the stages of production, also state whether the capacity of various plants at different stages of production is sufficient. Balancing equipment required at a later stage and the consequent increase in capacity should be assessed.
 - (m) **Quality Control/Testing and Inspection** : Whether some system has been designed to check the quality of products on a continuous basis? Obtaining quality marks like ISI, Agmark help in creating confidence among consumers if there is a probability of getting them for the products, the fact should be included in the project report.
 - (n) **Research and Development** : Besides the quality control, whether any cell to study improvement of quality is proposed to be formed in the enterprise?
3. **Market Potential** : The following aspects relating to market potential should normally be covered in the project report:
- (a) **Demand and Supply Position** : State the data regarding total expected demand of the product and present supply position. How-much of this gap will be filled up by the proposed unit?
 - (b) **Price Expected to be Realised** : An estimate of the price expected should be

furnished to assess the margin of profit. A comparative statement of competitor's selling price would be helpful.

- (c) **Marketing Strategy :** What strategy for selling the products is proposed to be followed? Whether any arrangements have been made with reputed suppliers and distributors for lifting the production? Sometimes, particularly in electrical goods, owners of reputed brands may enter into contract to lift the entire production and sell it later after putting their trade mark on it.
- (d) **After-Sales Service :** In some items it is very vital. Even due to a loose screw or snapping of a wire, the customer may find the instrument either not working or working improperly and without after-sales service. Due to this, the product gets a bad name. Normally it has been found that money spent on after -sales service by a manufacturer is repaid many times over the long run.
- (e) **Seasonality Factor :** Whether the product has seasonal fluctuations in sales? If so, the arrangements made for warehousing or stocking of the goods in off-season should be stated.
- (f) **Transportation :** Whether the unit will depend for the transportation of goods on public carrier or will it like to own its own transport? If own transport is needed, state the probable cost and the amount of assistance required.

PREPARATION OF PROJECT REPORT:

MEANING OF PROJECT REPORT: A Project Report is a written document pertaining to any investment proposal. It contains relevant data, on the basis of which the project has been appraised and found relevant to the entrepreneur. A project Report is prepared by the expert after detailed study & analysis of the various aspects of a project. **MEANING OF PROJECT REPORT**

FEATURES OF THE PROJECT REPORT: It is basically a business plan. It outlines the desired goals. It describes all the necessary inputs to the enterprises. It explains the mode of utilization of the resources. It details the strategies for the execution of the project. **FEATURES OF THE PROJECT REPORT**

OBJECTIVES OF PROJECT REPORT: To identify the requirement of the resources (technical, financial, commercial, managerial and operational) To find out the critical components of the project idea. To obtain the opinions of experts from various fields. To facilitates financial appraisal of the project by financial institutions, banks, insurance companies, etc. **OBJECTIVES OF PROJECT REPORT**

ELEMENTS OF PROJECT REPORT: Description of the entrepreneur Description of the enterprise & brief summary of the project. Inputs for the proposed project Financial Aspects Economic Viability Total income, operative net profit, etc. Profitability analysis. Information regarding technical feasibility, marketing ,present demand, etc. **ELEMENTS OF PROJECT REPORT**

PROJECT SUBMISSION PRESENTATION AND APPRAISAL THEORY OF EXTERNAL AGENCY SUCH AS FINANCIAL AND NON- FINANCIAL INSTITUTIONS:

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peculiarities of a particular project, other items may be consider important to be applied out in the project report. To mention, probable use of minicomputers or other electronic data processing services, cash flow statements, method of accounting etc., may be of great use in some small enterprises.

PROJECT APPRAISAL

Project appraisal means the assessment of a project. It is critical and analytical evaluation of the project from different angles. While appraising a project, technical, commercial, economic, ecological, social and managerial aspects are taken into consideration. Project appraisal is usually done by a financial, institution which besides making an anlysis of costs and benefits of a proposed project assesses the project from the various aspects of an investment proposition before extending finance. Project appraisal is, therefore, a process whereby a leading financial institution makes an independent and objective assessment of the various aspects of an investment proposition for arriving at a financial decision and is aimed at determining the viability of a project and sometimes, also in modifying its scone and content so as to improve its viability.

A project involves employment of scarce resources. Hence, the entrepreneur has to appraise various projects before allocating the scarce resources for a project. First a project has to be appraised from economic aspects. The economic aspects of appraisal include production of goods or services, generation of additional revenue, employment of labour, better rewards for the owners of capital, etc. A good organisation is required for the implementation of the project. An entrepreneur usually has three types of organisation to fall upon: sole trade proprietorship, partnership and joint stock companies. The type of organisation suitable for the project has to be setup. The financial institutions have to take special care with regard to the managerial aspects of the project. The management should be competent and efficient, otherwise a good project may fail. Technical appraisal includes the location and site of the project the technology used, technical collaboration if any, capacity utilization, plant layout, project design etc. The financial appraisal should ensure that the projects has a sound financial base. Analysis of cost, pricing, availability band utilization of

funds, income and expenditure and fair return on investments are the areas to be covered under financial appraisal. Commercial/marketing aspects of appraisal are concerned with potential demand for the product/service, quality of product/service, price, design, marketing channels etc. Ecological and social aspects of a project have assumed much importance today. The project should be eco- friendly and should aim at society's well-being.

In short, a financial institution requires a detailed evaluation of the feasibility from the point of view of

- Managerial Competence.
- Technical Feasibility
- Market Analysis.
- Economic Viability
- Financial Viability.

1. Managerial Competence Successful entrepreneurs are found to be possessing managerial and entrepreneurial traits. Funding agencies would therefore, like to find out whether the individual interested in setting up the venture possesses needed managerial traits.

A project report should contain information such as family background, educational qualifications, past experience of service, business or industry, interest in other firms and innovative ideas of promoters so as to enable financial institutions to assess managerial capabilities of the individual. It is not necessary that entrepreneur should possess all managerial traits and perform all the functions himself. He should either be in a position to perform all such functions himself or should be competent and resourceful enough to hire and use the required managerial resources. Project report, should therefore, mention about the managerial structure of the enterprise.

It is very difficult indeed to evaluate managerial and entrepreneurial capabilities of an individual. Even if the promoter himself wants to evaluate his capabilities the evaluation may not be very correct. It is likely to happen because of the fact that the sense of self-esteem is prevalent in every individual and it inhibits proper self-assessment.

2. Technical Feasibility : The technical feasibility of the proposal/project contains the resource and technically analysis of the feasibility study. It deals, with the production cost of the item. If the production cost of the item is low, the item can be sold at a competitive price in relation to a similar quality product. For example, hand operated fan at cheaper cost will be economically feasible but technically unsound. The use of solar energy may be technically viable but it is not economically feasible yet because the experiment on this line has not been finalised.

Technical appraisal deals with the following components:

- (a) Location of the unit.
- (b) Size of the plant.
- (c) Process of Manufacture.
- (d) Factory layout
- (e) Personnel.
- (f) Availability and cost of raw material.
- (g) Power and water, facilities.
- (h) Technological viability in the application of the finished product.

3. Market Analysis : The success of project depends on how it is able to sell the product/service in the market. This is because marketing is the only activity which produces revenue while all other activities incur expenditure. Therefore, the product/service should be marketable. The supply and demand for the product/service have to be estimated and see whether there is any market opportunity. A detailed market analysis should be conducted covering market opportunity and strategy for converting the opportunity into a reality. It is, therefore, suggested that the report should contain the following information:

- The size and composition of the present demand.
- Market segment (s) identified for the proposed venture (The market segmentation may be done on the basis of income, age and sex of consumers, geography of the area, etc.)
- Short and long- term demand projection of the overall market and of the segment(s) identified for the proposed project.

- The market penetration that the proposed unit is expected to achieve over the, projected period. This may be planned in view of the increasing national and international competition and changing need of the consumers.
- Broad pricing structure on the basis of which future demand has been made and market penetration ratio has been calculated.
- The strategy of marketing in the target markets.

4. Economic Viability : Economic viability is an important criteria for evaluating a project. Whatever may be the motivation in starting a project from the point of view of the promoters, it shall be necessary that the operations quantified on a year to year basis should generate sufficient profits. A project without adequate profits or which is likely to incur losses, could not be classified as commercially viable. Evaluation of economic viability can be carried out through projection of profitability worked out for a period ranging from three to ten years. In case of financial applications, such projections should be carried out for a period covering the term of the loan to be negotiated with banks and financial institutions. In any case, the profitability of a project should be established on a long-term basis, keeping in view a spread of five years after a reasonable level of capacity utilization is achieved.

A Projected Profitability Statement has to be prepared by taking into account capacity utilization and all costs, it shall be necessary to proceed further and calculate certain ratios to evaluate the economic viability of the project. Some of the ratios are debt service coverage ratio, pay back period, average rate of return, net present value, break-even sales and internal rate of return.

Entrepreneurial Motivating Factors: Internal and External Factors!

Let us address to the larger question what factors motivate entrepreneurs to start enterprises.

Many researchers have tried to understand and answer this question by conducting research studies to identify the factors that motivate people to take all the risk and start a business enterprise (Kamraj and Muralidaran 2005, Manimala and Pearson 1998, Maslow 1954, Mitchell 2004, Saxena 2005, Khanka 2009).

While some researchers have classified the factors motivating entrepreneurs into ‘push’ (compulsion) and ‘pull’ (choice) factors, most of the researchers have classified all the factors motivating entrepreneurs into internal and external factors as follows:

Internal Factors:

These include the following factors:



1. Desire to do something new.
2. Become independent.
3. Achieve what one wants to have in life.
4. Be recognized for one’s contribution.
5. One’s educational background.
6. One’s occupational background and experience in the relevant field.

External Factors:

These include:

1. Government assistance and support.
2. Availability of labour and raw material.
3. Encouragement from big business houses.
4. Promising demand for the product.

One research study (Murthy et. al. 1986) reports that entrepreneurs are motivated to start business enterprises due to the following three types of factors:

1. Ambitious factors.
2. Compelling factors
3. Facilitating factors.

The present author also conducted a study on “Entrepreneurship Development in Assam” financially supported by the All India Council for Technical Education (AICTE), New Delhi.

The study found the following motivational factors for the entrepreneurs. The study chose the 15 statements on motives on the basis of prior research on human motives.

Possible Questions

PART – A (1 Mark)

Online Questions

PART – B (2 Marks)

1. Point out the significance of writing the business plan.
2. What are non-financial institution?
3. What is planning and control?
4. Mention the content of business plan.
5. What is project proposal?

PART – C (6 Marks)

1. Explain the role of District industries centers (DICS) in entrepreneurial development.
2. Discuss on the types of specialized industries.
3. Elaborate the role of commercial bank in entrepreneurial development.
4. Express the role of Tamil Nadu Industries Investment Corporation in developing Tamil Nadu's entrepreneurship structure.
5. Express views on Industrial estates in entrepreneurial development.
6. Explain the need of small scale industries board in entrepreneurial development.
7. Explain on the functions of SIDBI.
8. Explain the significance of small scale industrial board.
9. Explain the function of National Small Industries Corporation (NSIC).
10. Discuss the need for Institutional support to small – scale industries.



KARPAGAM ACADEMY OF HIGHER EDUCATION

(Deemed to be University)

Under Section 3 of UGC Act 1956

Pollachi Main Road, Eachanari Post, Coimbatore - 641 021

SUBJECT: Entrepreneurship

SEMESTER: V

SUBJECT CODE: 16CMU503A

CLASS: III B Com

S.N O	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4	ANSWER
1	A project appraisal is made for _____ projects.	statement	seen	appraisal	executed	executed
2	A _____ is one of the methods of project appraisal.	statement	goals	Market analysis	aim oriented	Market analysis
3	Financial analysis is one of the methods of _____ of the company	Produce	Goal achievement	project appraisal.	Marketing	Goal Achievement
4	A _____ will be estimated for to anticipate sales profit.	product	firm	data	goals	product
5	A project report is like a road _____.	Map	project	statement	report	Map
6	A _____ has to be properly assessed.	depreciation	working capital	collection	goals	working capital
7	A _____ is the most important to start a enterprise.	seed capital	report	project	finance	finance
8	_____ is the second stage in life cycle segmentation.	plan	segment	growth	business	growth
9	_____ is the heart of the project	Project idea	Project identification	Project design	Project selection	Project design
10	A project report is a _____ statement	formal	written	oral	oral/written	written

11	A project report is a operating_____.	document	statement	form	form and statement	document
12	Increase in _____ generally leads to opportunities for investment and a higher level of economic activity	Gross National Product	Per capita Income	Gross domestic Product	Financial Institutions	Per capita Income
13	The commercial _____ started to cater industries	banks	industries	Offices	Companies	banks
14	There are _____ stages in project life cycle	one	two	Three	four	three
15	What are the the 3 basic dimensions of a project?	. input, output and process	input, output and materials	. input, output and social cost and benefits	input, output and features	. input, output and social cost and benefits
16	Dic s funds is provided by _____ government.	state	small	central	all	central
17	A project repoort is like a road _____.	Map	project	statement	report	Project report
18	A project report describes the direction of the_____.	goals	data	enterprise	all	enterprise
19	A project report is a _____ statemen t.	formal	written	oral	all	written
20	A project report is a operating_____.	document	statement	form	all	document
21	A project report contains general_____.	form	informations	data	none	informations
22	A_____ includes name and address of the entrepreneur.	firm	people	bio data	company.	bio data

23	A analysis of industry comes under industry_____.	details	profile	data	none	profile
24	A_____details include product utility.	product	firm	company	all	product
25	A site includes the location of the_____.	collection	enterprise	location	none	enterprise
26	A physical infrastructure includes_____.	raw materials	report	project	all	raw materials
27	Utilities include_____.	details	firm	power	none	power
28	A transport facility is an_____.	power	firm	details	utilities	utilities
29	A physical infrastructure includes_____.	project	report	skilled labour	utilities	skilled labour
30	A common utilities include_____.	repair shops	firm	power	all	repair shops
31	A communication facilities include_____.	repair shops	firm	telephone	none	telephone
32	A_____is an communication facilities.	repair shops	telex	tele	data	telex
33	A Research and development should be included in_____.	project report	enterprise	data	goals	project report
34	A Project report is like a road _____.	Project report	format	statement	map	map
35	A_____is a common utilities.	repair	firm	welding shops	all	welding shops

36	One of the utilities include_____.	details	firm	fuel	none	fuel
37	A project appraisal is made for_____ of projects.	statement	seen	appraisal	execution	execution
38	A Project report is like a road _____	Project report	format	statement	map	map
39	A project report includes the market_____of the product.	form	potential	data	none	potential
40	A project report includes the expected_____of the product.	price	potential	data	potential	price
41	A project report includes the demand and supply_____.	price	position	data	potential	position
42	A project appraisal is made for_____ of projects.	statement	seen	appraisal	execution	execution
43	_____ is one of the methods of project appraisal.	statement	goals	Market analysis	aim oriented	Market analysis
44						
45	A project report includes the market_____.	form	potential	strategy	none	strategy
46	Aprovisions will be made for _____ sales service.	form	potential	data	after	after
47	A_____ should be mentioned in project report.	form	potential	transportation	none	transportation
48	A_____ should also bementioned in project report.	form	Finance	data	none	Finance
49	The requirement of _____ should also be mentioned in project report.	working capital	enterprise	data	goals	working capital
50	Sources of_____ should also be mentioned in project report.	working capital	Supply	data	goals	Supply

51	A _____ Statement indicates the financial position.	working capital	Supply	Cash flow	goals	working capital
52	A _____ Statement indicates the financial position.	working capital	Supply	balance sheet	goals	balance sheet
53	A _____ indicates the Percentage of sales.	working capital	Supply	balance sheet	Break even point	Break even point
54	Environmental _____ should also be mentioned in project.	working capital	damage	data	Supply	damage
55	A _____ use to get better insights.	working capital	CPM	data	goals	CPM
56	A PERT use to get better _____.	form	potential	Insights	none	Insights
57	A _____ plan contains data.	marketing	potential	Insights	Insights	marketing
58	A _____ Should be estimated..	working capital	Cost	data	goals	Cost
59	One of the market aspect is _____.	Sales channel	potential	transportation	none	Sales channel
60	Production requirements include _____.	working capital	CPM	working capital	CPM	working capital

UNIT-V -MOBILIZING RESOURCES

SYALLABUS

Mobilizing Resources :Mobilizing Resources for Start-up - Accommodation and Utilities Preliminary Contracts with the Vendors- Suppliers- Bankers- Principal Customers- Contract Management- Basic start-up Problems

1. Resource Mobilization for Startups:

The term resource mobilization refers to all activities undertaken by a startup or an organization to secure new and additional financial, human and material resources to advance its mission. Inherent in efforts to mobilize resources is the drive for organizational sustainability.

As fundraisers, we often come across the term ‘resource mobilization.’ Although technical in sense, it merely means mobilizing resources. Now resources can include many different things, not just money, for your organization.

Apart from money, you can also raise support from friends, family, dealers, knowledge of employees, infrastructure etc. So, in order to put all these sources of support into one kitty, including finances, we refer to them collectively as ‘resource mobilization.’

Resource mobilization is actually a process of raising different types of support for your organization. As said above, it can include both cash and in-kind support.

Resource mobilization can also be called as the process of getting resource from resource provider, using different mechanisms, to implement the organization’s work for achieving the pre-determined organizational goals. It deals in acquiring the needed resources in a timely-cost effective manner.

Resource mobilization advocates upon having the right type of resource, at the right time, at right price with making right use of acquired resources thus ensuring optimum utilization of the same.

2. Types of Resource Mobilization for Startups:

Every business model requires them, and it is only through them that companies generate Value Propositions and Revenues. Key resources can be physical, financial, intellectual, or human.

A microchip manufacturer needs capital-intensive production facilities, whereas a microchip designer depends more on human resources.

Any startup would need all of the following resources, though the financial resource may be considered most important:

- (i) Financial resource
- (ii) Intellectual resource
- (iii) Human resource
- (iv) Physical resource
- (v) Educational Resources
- (vi) Emotional Resources
- (vii) Moral Resources
- (viii) Cultural Knowledge resource
- (ix) Relational Resource

(i) Financial Resource:

The most important element in starting a business is funding. Even the most basic home business incurs a multitude of startup costs, including registering a business name, obtaining a business telephone line and printing business cards.

Financial resources can be obtained from a variety of sources, the easiest being from:

- a. The personal accounts of the company's founder.
- b. Alternatively, loans and lines of credit may be granted from financial institutions,
- c. Friends and relatives,
- d. Private investors

In addition, many grants are offered from private and public sources to entrepreneurs of all demographics and personal situations.

“If you want to know the value of money, go and try to borrow some.” – Benjamin Franklin

(a) Personal Investment:

When borrowing, you invest some of your own money either in the form of cash or collateral on your assets. This proves to your banker that you have a long-term commitment to your project.

(b) Love Money:

This is money loaned by a spouse, parents, family or friends. A banker considers this as “patient capital”, which is money that will be repaid later as your business profits increase.

(c) Venture Capital:

The first thing to keep in mind is that this funding source is not necessarily for all entrepreneurs. Right from the start, you should be aware that venture capitalists are looking for technology-driven businesses and companies with high-growth potential in sectors such as information technology, communications, and biotechnology.

Venture capitalists take an equity position in the company to help it carry out a promising but higher risk project. This involves giving up some ownership or equity in your business to an external party.

Venture capitalists also expect a healthy return on their investment, often generated when the business starts selling shares to the public. Be sure to look for investors who bring relevant experience and knowledge to your business.

(d) Angels:

Angels are generally wealthy individuals or retired company executives who invest directly in small firms owned by others. They are often leaders in their own field who not only contribute their experience and network of contacts but also their technical and/or management knowledge.

In turn for risking their money, they reserve the right to supervise the company’s management practices. In concrete terms, this often involves a seat on the board of directors and an assurance of transparency. Angels tend to keep a low profile.

(e) Business Incubators:

Business incubators or “accelerators” generally focus on the high-tech sector by providing support for new businesses in various stages of development. However, there are also local economic development incubators, which are focused on areas such as job creation, revitalization and hosting and sharing services.

Commonly, incubators will invite future businesses and other fledgling companies to share their premises, as well as their administrative, logistical, and technical resources. Generally, the incubation phase can last up to 2 years. Once the product is ready, the business usually leaves the incubator’s premises to enter its industrial production phase and is on its own.

(f) Grants and Subsidies:

You may have access to this funding to help cover expenses, such as research and development, marketing, salaries, equipment and productivity improvement. Technically, a grant is a sum of money conditionally given to your business that you do not have to repay.

However, you are bound legally to use it under the terms of the grant, or otherwise you may be asked to repay it. As well, once you are granted money from one government source, it is not uncommon to receive further funding from the source if you meet program requirements. The Government announces grants and subsidies to Startups from time to time.

(ii) Intellectual Resource:

Intellectual resource is the intangible value of a business, covering its people, the value inherent in its relationships, and everything that is left when the employees go home, of which Intellectual property (IP) is but one component. It is the sum of everything everybody in a company knows that gives it a competitive edge.

The term is used in academia in an attempt to account for the value of intangible assets not listed explicitly on a company's balance sheets. On a national level intellectual capital refers to National Intangible Capital NIC.

A second meaning that is used in academia and was adopted in large corporations is focused on the recycling of knowledge via Knowledge management; Intellectual capital is used in the context of assessing the wealth of organizations. Understanding the intellectual capital in an enterprise allows leveraging of its intellectual assets

The start-ups also require this resource and can mobilize it from within the close circle.

(iii) Human Resource:

The success of an organization is heavily reliant on the talent and strength of its employees. The hiring of experienced professionals with track records of excellence within their area of expertise ensures that the mission and goals of the company will be carried out efficiently and with competence.

Strong team members can be recruited using a variety of methods. Staffing agencies and executive search firms specialize in placing talent of all levels within every industry. An alternative is to find employees through referrals from individuals whose judgment is trusted.

Though initially the start-ups cannot do a large hiring, but whatever human resource, they hire, must be "High Potential Individuals".

"Teams should be able to act with the same unity of purpose and focus as a well-motivated individual." – Bill Gates

(iv) Physical Resource:

Whether a small home business or a retail operation with multiple locations, every organization must have the appropriate physical resources to survive. This includes a proper workspace, working telephone line, adequate information systems and effective marketing

materials. This aspect of business planning can be one of the costliest. As such, it is important for an entrepreneur to realistically assess his needs before making any purchases.

Most of the start-ups have had the history of starting the operations from home, garage of a very small place initially.

(v) Educational Resources:

Perhaps the greatest thing an entrepreneur can do when establishing a new business is to gain as much education possible. By understanding his/her competition and gaining an in-depth knowledge of his/her industry, he/she will be better prepared to make smarter decisions regarding the direction of his/her firm.

Educational resources can be found through professional trade associations that are geared toward his/her industry, local chamber of commerce as well as the Small Business Administration.

(vi) Emotional Resources:

Starting a business can be an extremely stressful endeavour for an entrepreneur to undertake. To maintain the sanity as well as stay motivated, it is important to have a support team that can give inspirations and guidance as needed. This team may be composed of friends and family as well as a mentor or professional group.

(vii) Moral Resources:

Moral Resources include solidarity support, legitimacy and sympathetic support. These resources can be easily retracted, making them less accessible than other resources.

(viii) Cultural Knowledge Resource:

Cultural Knowledge resource has become widely necessary and universal. Known Examples include how to accomplish specific tasks like enacting a protest event, holding a news conference, running a meeting, forming an organization, initiating a festival, or surfing the web.

(ix) Relational Resource:

It consists of such elements as customer relationships, supplier relationships, trademarks and trade names, which have value only by virtue of customer relationships, licenses, and franchises. In fact relational resource is separate from human and structural resource and therefore, it indicates its immense importance to an organization's worth.

The value of the relationships a business maintains with its customers and suppliers is also referred as goodwill, but often poorly booked in corporate accounts, because of accounting rules.

HIPOs, as they are called, high potential employees are the ones who have exceptional potential, ability and aspiration for successive leadership positions.

3. Preliminary Contracts with the Vendors, Suppliers, Bank-ers, Principal Customers;
Contract Management:

Preliminary or Pre-Incorporation Contracts:

When the contract is agreed, on behalf of the company before its incorporation they are called the preliminary Contract or pre-incorporation Contract. These contracts may relate either to the property, which the promoter wants to purchase for the Company or the technical knowledge which is essential for the success of the company. These types of contracts cannot bind the company until it is incorporated.

The legal position in case of preliminary contracts can be studied under two heads:

(i) Position before passing of Specific Relief Act, 1963

(ii) Position after passing of Specific Relief Act, 1963

(i) Position before Passing of Specific Relief Act, 1963:

a. The preliminary Contract made before passing of Specific Relief Act, 1963 cannot bind the company because it has not legal existence before incorporation.

b. The companies are not in a position to sue on pre-incorporated contracts.

c. Ratification is not possible in the case of the preliminary contract, as the ostensible principal not exist at the time of the contract.

(ii) Position after Passing of Specific Relief Act, 1963:

a. The promoters found difficulties in carrying out the work before the Specific Relief Act, 1963, because the contracts prior to incorporation were void.

b. The Specific Relief Act, 1963 came as a relief to the promoters.

c. The Act provides that where the promoters of a public company have made a contract before its incorporation, for the purpose of the company and if the contract is warranted by the terms of its incorporation, the company may enforce it.

Basic Requirements for a Contract:

Entering into a legal contract with another individual or party helps provide legal protection, as well as a specific outline of the deal. When you enter into a contract with another party, it should meet a few requirements before it can be considered a valid legal contract.

(i) Specific Details:

In order for a contract to be valid it has to feature the specific contract details. In the contract, outline exactly what is being dealt with. If you are buying material from a dealer, it has to have the legal description of the material, so that there is no question about which material is being conveyed.

The contract should also be specific about the names of the parties involved and their role in the transaction. It should also outline the nature of the agreement.

(ii) Consideration:

A valid legal contract also must have consideration. Consideration is giving something of value in return for something else. In this section, the factors associated with consideration should also be included. For example, you should include information about payment terms, time considerations and other expectations.

(iii) Capacity to Contract:

Before a valid legal contract is created, both parties must be able to prove that they have the capacity required. This means that the individuals have to be of legal age, depending on state law and they must be of sound mind.

This means that if they are mentally handicapped or are under the influence of drugs or alcohol, they cannot enter into a binding contract. The parties must also enter into the agreement under their own free will and cannot be coerced into signing.

(iv) Legal:

The agreement also has to have legal terms. If you enter into an agreement to perform an illegal act, this would not constitute a legal contract. For example, if you enter into an agreement to launder money for an illegal operation, that contract would not be enforceable by the law because you are involved in an illegal activity.

(v) Proper Form:

A legal contract also must be in the proper form. Typically, this means that the contract must be in writing. The proper form is determined by the type of contract that you are engaged in and the laws of your state. In some cases, verbal contracts are binding and are perfectly acceptable. In most cases, you should do the contract in writing so that no confusion exists if any legal matters come up later.

General Principles for Entering into Contracts:

A contract is created the moment two people agree to do something for each other. These people, who are called “contracting parties”, can be individuals, bankers, customers, dealers, financial institutions, a group of people or representatives of a business.

In general, it is not necessary to sign a document for a contract to be created. A simple verbal agreement can be enough. However, some kinds of contracts must be in writing, and some must even meet other requirements to be valid.

For Example:

1. Many contracts between merchants and consumers must be in writing.
2. A mortgage contract for property must be in writing and made by a notary.

Of course, even when the law does not require a written document, it is often a good idea to put a contract in writing. When there is a written document and a problem arises, the disagreement does not become a case of “his/her word against mine”.

There are some areas that deserve careful attention during entering into a contract includes:

- (i) The terms of a contract must be precise and definite and there must be no room for ambiguity or misconstruction thereon should exist.
- (ii) No contract involving an uncertain or, indefinite liability or any conditions of an unusual character should be entered into without the previous consent of both parties.
- (iii) Subject to adequate prior scrutiny of terms, general or special, if any, standard forms of contracts should be adopted, wherever possible.
- (iv) In cases where standard forms of contracts are not used, legal and financial advice should be taken in drafting the contracts and before they are finally entered into.
- (v) Before entering into a contract or an agreement, all pros and cons should be considered and validity of contractual documents should be ensured.
- (vi) If you are sued because you did not respect your contract, you can avoid responsibility if you can prove there was an “Act of God” (event beyond human control), unless the contract states that you are responsible even if an act of God occurs.
- (vii) To be considered an Act of God, the event must be outside your control. It must have been absolutely impossible for you to predict the event and prevent its negative impact. Finally, you must have been completely prevented from respecting the contract and from having someone else carry out your duties under the contract for you.
- (viii) Generally a contract cannot be cancelled. However, it is possible to cancel a contract in some situations such as when the people involved did not have the right to enter into a contract.
- (ix) If your contract is cancelled, it is as though it never existed. The people involved must therefore return to the situation they were in before the contract was entered into. To do this, they must give back to the other person everything they received because of the contract.

(x) While you may have the opportunity to negotiate before you agree, it is common for you to be offered the same or a similar contract as everyone else. This is known as a standard form contract. There are laws to protect you from unfair contract terms in standard form consumer contracts where you have little or no opportunity to negotiate with the trader.

Ending a Contract by Consumer:

There are limited circumstances when consumers may end a contract without penalty and these can include:

- (i) If the business has misrepresented the goods, services, terms or conditions
- (ii) If a cooling-off period applies.

A cooling-off period is a safeguard designed to give consumers the opportunity to change their minds about a purchase or agreement they have made. You have a right to a cooling-off period when you purchase goods or services through telemarketing or door-to-door sales.

4. Basic Start-Up Problems Faced by Entrepreneurs:

In the crucial initial period, startups face several problems to counter and overcome such as the intense competition for customer, market and venture capital money, the list is very large.

Keeping the venture from becoming one of the walking dead, the entrepreneur can do so by being aware of these predictable, yet preventable problems that can affect its growth and development.

Some such problems faced by start-ups are being briefly discussed below:

(i) Developing the Vision and Business Idea:

Developing a business idea is usually the first challenge faced by every entrepreneur when starting a business from scratch. Finding the right business opportunity or creatively developing an idea is certainly not an easy task.

“Envisioning the idea” is the first true task of an entrepreneur. As an entrepreneur, you must possess the ability to see what others cannot see. While others see problems, you must see opportunities.

(ii) Raising Capital for your Startup:

After developing your idea, the next challenge you are going to face when starting a business from scratch is that of raising capital. As an entrepreneur, you are the only one that knows business your idea to the core. You are the only one that knows the story of your future.

Trying to convince investors about something that does not exist is definitely a challenge. Trying to make them understand that you are trustworthy and equal to the task is not child's play especially when you are building your first business.

Market Problems:

A major reason why companies fail is that they run into the problem of their being little or no market for the product that they have built.

(iii) Business Model Failure:

One of the most common causes of failure in the startup world is that entrepreneurs are too optimistic about how easy it will be to acquire customers. They assume that because they will build an interesting web site, product, or service, that customers will beat a path to their door.

That may happen with the first few customers, but after that, it rapidly becomes an expensive task to attract and win customers, and in many cases the cost of acquiring the customer is actually higher than the lifetime value of that customer.

(iv) Poor Management Team:

An incredibly common problem that causes startups to fail is a weak management team. Weak management teams make mistakes in multiple areas such as strategy; building a product that no-one wants to buy bad marketing strategies etc. They are also usually poor at execution, which leads to issues with the product not getting built correctly or on time, and the go-to market execution will be poorly implemented.

(v) Liquidity or Cash Crunch:

A fourth major reason that startups fail is because they ran out of cash. A key job of the CEO is to understand how much cash is left and whether that will carry the company to a milestone that can lead to a successful financing, or to cash flow positive.

(vi) Product Problems:

Another reason that companies fail is, because they fail to develop a product that meets the market need. This can either be due to simple execution. Or it can be a far more strategic problem, which is a failure to achieve Product/Market fit. Most of the time the first product that a startup brings to market does not meet the market need.

(vii) Finding Good Employees:

Business owners know how difficult it is to find a hardworking, trustworthy employee. Most employees want to work less and get paid more. Finding a good employee who will be passionate about delivering his or her services is quite difficult. Finding good employees is a minor task compared to the business challenge of forging your hired employees into a team.

“The competition to hire the best will increase in the years ahead. Companies that give extra flexibility to their employees will have the edge in this area.” – Bill Gates

“If you own a butcher shop, don’t hire vegetarians. To hire the right people, you have to let the wrong people go.” – Rich Dad

(viii) Finding Good Customers:

The next challenge you will face in the process of starting a small business from scratch is finding good customers. In the process of building a business, you will come to find out that there are good customers as well as bad customers. You must be on guard for bad customers. Good customers are really hard to find.

A good customer will be loyal to your company and will be willing to forgive you if you make a mistake and apologize. A good customer will try to do the right thing that will benefit both himself and your company mutually. Bad customers will always look for loopholes in the company’s policy to exploit and make a few gains.

Bad customers will always try to exploit the company’s goodwill and look for ways to rip off the company. Bad customers are responsible for bad debts. Good customers build your business and bad customers will always try to liquidate your business.

(ix) Dealing with Competition:

Competition is yet another challenge you will face when starting a business. Most individuals see competition as a plague but competition is a good challenge. It is a benchmark for creativity, the main engine that stimulates innovation and production of quality products at great prices. Without competition, there will be no innovation and without innovation, the world will be stagnant.

Competition keeps us on our toes and drives us to constantly improve our products and services. But you must be warned. Competition can make your business lose its relevance in the eye of your customers so you must always be on guard.

“In business, the competition will bite you if you keep running. If you stand still, they will swallow you.” – Victor Kiam

(x) Unforeseen Business Challenges and Expenses:

Just as a sailor prepares for unexpected storm, just as a pilot is always on the watch for unpredictable bad weather and thunderstorms, so must an entrepreneur prepared for whatever comes.

Unexpected challenges can come in the form of:

i. Unexpected legal suits

- ii. Inconsistent government policy
- iii. Unexpected resignation of staff from sensitive office
- iv. Bad debts from customers
- v. Loss of market share
- vi. Dwindling working capital
- vii. Inadequate stock or inventory

These business challenges, if not handled properly can ruin your plan to build a successful business. Another challenge you must expect is an unforeseen increase in business expenses. If not handled properly, it might result in constant negative cash flow and eventually; business failure.

(xi) Lack of Research & Development Facility:

We all know that it is a time for innovation and creativity. Any business can fail if there are no efforts being made to constantly innovate. The start-ups lack the financial viability and face cash crunch always, therefore, they find it difficult to have a R&D.

5. Methods to Solve Startup Problems:

Creating a startup, or managing any business, is all about problem solving. Some people are good at it and some are not. People who are good at problem solving are some of the most valuable and respected people in every area. In fact, success is often defined as “the ability to solve problems.”

In many cultures, this is called “street smarts,” and it is valued even more than “book smarts.” The best entrepreneurs have both. Entrepreneurs who are great problem solvers within any business are the best prepared to solve their customers’ needs effectively as well.

Following are some simple ways to solve or minimize a startup problem:

(i) Define the Problem Clearly:

Many executives like to jump into solution mode immediately, even before they understand the issue. In some cases, a small problem can become a big one with inappropriate actions. In all cases, real clarity will expedite the path ahead.

(ii) Pursue Alternate Paths:

Remember, there are some things that you can do nothing about. They are not problems; they are merely facts of life. Often, what appears to be a problem is actually an opportunity in disguise. Even if it does not turn into an opportunity, the entrepreneur must take an alternative course.

(iii) Identify the Cause of the Problem:

Find the root cause of the problem, rather than treating a symptom because if the root cause is not understood, the problem will likely recur, perhaps with different symptoms.

(iv) Identify Multiple Possible Solutions:

The more possible solutions you develop, the more likely you will come up with the right one. The quality of the solution seems to be in direct proportion to the quantity of solutions considered in problem solving.

(v) Make a Prompt Decision:

Select a solution, any solution, and then decide on a course of action. The longer you put off deciding on what to do, the higher the cost, and the larger the impact will be. Many start-ups take too long to decide & that becomes a reason for the failure.

(vi) Acknowledge and Correct:

Instead of getting offended or embarrassed when your product does not do well or someone bad- mouths your brand in attempt to elevate their own, look at the problem as a direct route to connect with your customers or competition. If your customers are unhappy, correct the problem.

(vii) Cut Costs In-House:

Entrepreneurs should run the business as lean an operation as possible, in every process from manufacturing to administrative functions efforts should be made to cut costs wisely. The start-ups should involve employees in this endeavour as well so that they cut costs happily and understand the entrepreneur's perspective.

(viii) Overcome Your Fears of Risk-Taking by confronting them Head-on:

Being an entrepreneur is risky business. Every decision you make could potentially hurt or help your company. Believe in trusting your instincts, educating yourself about the pros and cons of your decisions, and getting a second opinion from another entrepreneur in whom you confide.

(ix) Formulation of Strong Business Strategies:

Without strategy, change is merely substitution, not evolution. A solid strategy must be implemented in order to solve any problem. Many startups attempt to dissect a problem rather than identify the strategy for change that lies within the problem itself.

Effective startups always know how to gather the right people, resources, budget and knowledge from past experiences. They inspire people to lift their game by making the

problem solving process highly collaborative; for them, it is an opportunity to bring people closer together.

Accommodation and Utilities :

Accommodation and Utilities Required for Start-up: After planning about the resource mobilisation, an entrepreneur needs to have a clear picture of accommodation (space) and utilities of what business must have. Though, it is a tedious and time consuming task, but it essential and deserves high attention. For example, while many start-up mistakes can be rectified later on, a poor choice of location of business and office space is something impossible to repair.

Following points should be considered in selecting the location (accommodation) of business or office space:

- Style of operation (e.g. formal, casual, traditional retail store, kiosk, cart etc.)
- Consider who your customers are and how important their proximity to your location is.
- Monitor foot traffic
- Accessibility of parking
- Is your location/area business friendly?
- Is your area safe for business as well as for customers
- Proximity to other businesses and services
- Building infrastructure
- Utilities and their associated costs
- How close do you need to be your suppliers?
- Can you legally operate your business in this area?
- Possibilities of renovations or change in building (consider legal restrictions)
- Availability of labour, transport, fuel, power, raw material etc.
- Expansion possibilities
- Personal factors

Utilities:

Utilities (water, fuel, electricity etc.) are essential services that play a vital role in successful operation of any enterprises. What utilities your business requires will depend on the nature of business and size of operation. These utilities are required not only for smooth functioning of business, but also for health, safety and to improve efficiency at workplace.

Some common utilities which should be obtained/acquired or hold by the start-up are given below:

- Water
- Sewage
- Trash services
- Telecommunication (i.e. telephone, internet, FAX machine, word processing software etc.)
- Electricity
- Parking
- Canteen

- Furniture
- Toilets (for basic health, welfare, privacy and dignity)
- Conference style speaker phone
- Flipcharts
- LCD projectors
- Catering
- Photocopy
- Video conferencing facilities
- Waiting room/hall/area
- Change room
- Dining hall
- Personal storage
- Washing facilities for personal hygiene
- Lighting and temperature
- Shelter from respite from whether (e.g. heat, cold, rain, wind etc.)

Preliminary Contracts :

For start-up enterprise, entrepreneur needs to sign some kind of contract in writing with various parties/stakeholders e.g. vendors, shareholders, suppliers, financial institutions/lenders/bankers and principal customers. These agreements allow the enterprises to define their legal relationship to the corporation, to each other and the start-up's other participants. Added to this, written contracts also allow individuals and businesses with a legal document stating the expectations of both parties and how negative situations will be resolved. Contracts also are legally enforceable in a court of law. Contracts often represent a tool that companies use to safeguard their resources. For start up enterprises following points should be considered in the process of forming a contract with various parties i.e. vendor, suppliers, investors, customers or lenders.

1. The parties to the agreement (name of your business and name of the party whether the party is a customer, vendor, suppliers or lender.

2. Mention, how each party is going to be benefited from the agreement. In legal language it is referred as 'consideration'. Consideration is base of every contract and law enforces only those promises which are made for consideration. Consideration may be related with past, present or future. It must be real, lawful and should be passed at the request of offered. Consideration may in form of cash, kind or abstinence.

3. Define terms and conditions of contract. It includes what each party is promising to do. For example, in case of agreement with vendor following terms and conditions must be a part of the contract:

- Bidding
- Confidentiality agreement
- Ownership
- Invoice
- Reporting
- Communication
- Review and acceptance
- Timelines
- Insurance verification
- Attendance at meeting
- Back-up

4. Additional terms and conditions should be well specified in the contract which generally includes conditions under which either party can terminate the contract, transfer or assign the contract to another company or person, how dispute arising from the contract may be mediated or arbitrated and payment of attorney's fees if one party breach the contract.

5. Whenever, you need to share organisation's proprietary information with other party, ask them to sign a non-disclosure agreement. Proprietary information can be anything from your business plan, marketing plan, resource planning, code or financial information as well as client and customer list.

6. The contract shall take effect on the commencement date and shall expire automatically on the date specified in the specification, unless otherwise terminated in accordance with these conditions.

7. Nothing in the contract shall be construed as creating a partnership, a contract of employment or a relationship of principal and agent between the Client and the contractor.

8. Except as otherwise provided in the contract, no notice or communication from one party to the other shall be valid under the contract unless made in writing.

9. Prepare the sample contract and review it and substitute the terms and conditions that fit your project as negotiated with the party.

10. Present the final contract to the part for approval and make sure that both the parties sign the contract. Be sure that the person signing has the authority to sign.

11. Make sure that each party has a copy of signed agreement.

12. Have the contract amended and proofed and then sends it to legal department for approval.

Contract Management:

Contract management is a process or a system of managing the contracts made with various parties i.e. supplier, vendors, investors, partners, customers etc. It is also known as contract administration. Contract management not only deals with systematically and efficiently creation of contract but also their execution and analysis for maximum operational and financial performance, and minimising risks. For start-up enterprises contract management is very important because poor contract management can result in loss of sales, penalties and even lawsuits. Contract management is also helpful in minimising the risk arising from contract problem. In start up enterprises, contract problem can arise for a wide variety of reasons.

Some of the important are listed below:

- an issue
- conflict
- disagreements
- breach
- variation
- change
- unexpected events
- miscommunication
- misrepresentation
- failure
- unrealised expectations

To minimise the chance of a minor problem escalating into disputes, the issue need to be identified, discussed and resolved. This can be achieved through an effective contract management system.

Contract Problems of Start-up:

As mentioned above, contract problem may occur due to various reasons. However, the contract problems of start up enterprises are often not so simple. For example, start up owner does not know how to express family and friends that he wishes that they had a contract. Thus, a contract problem could exist for a number of unusual reasons. These could include the situations such as:

- Poor knowledge and understanding about contract formation/management
- Lack of legal advice
- Lack of experience in forming contracts
- The terms and conditions of contract are not clear or are open to misrepresentation.
- a contract, but not having a suitable process in place to support the management of contract.
- Communication problem.
- Not making the clear deal with co-founder or promoters.
- Not coming up with great standard form contract in favour of your enterprise.
- Not complying with securities law when issuing stocks to angels/family and friends.
- Not carefully considering protection of IP assets.
- Ignorance of tax issues

Making a Solid Business Contract: It is worthwhile noting that the contract is enforceable and successful if:

- It is written. Agreement should be in written even if law does not require it. A written agreement is less risky than oral.
- It is simple. Create clear and short sentences with simple, numbered paragraph headings that alert the reader to what is in the paragraph.
- There are no disputes and surprises.
- Identify each party correctly and deal with right person or authorised person.
- The supplier is cooperative and responsive.
- The organisation understands its obligations under the contract.
- Clearly specify terms and conditions and most important payment obligations.
- Specify circumstances under which agreement can be terminated.
- Specify how the disputes will be resolved through mediation, arbitration or through court.
- Each party keep promise that business information will be kept confidential.
- Encourage ongoing and open line of communications between the parties.

Always seek advice, assistance or clarification when needed.

**Preliminary Contracts with the Vendors, Suppliers, Bankers, Principal Customers;
Contract Management:**

Preliminary or Pre-Incorporation Contracts:

When the contract is agreed, on behalf of the company before its incorporation they are called the preliminary Contract or pre-incorporation Contract. These contracts may relate either to the property, which the promoter wants to purchase for the Company or the technical knowledge which is essential for the success of the company. These types of contracts cannot bind the company until it is incorporated.

The legal position in case of preliminary contracts can be studied under two heads:

(i) Position before passing of Specific Relief Act, 1963

(ii) Position after passing of Specific Relief Act, 1963

(i) Position before Passing of Specific Relief Act, 1963:

a. The preliminary Contract made before passing of Specific Relief Act, 1963 cannot bind the company because it has not legal existence before incorporation.

b. The companies are not in a position to sue on pre-incorporated contracts.

c. Ratification is not possible in the case of the preliminary contract, as the ostensible principal not exist at the time of the contract.

(ii) Position after Passing of Specific Relief Act, 1963:

a. The promoters found difficulties in carrying out the work before the Specific Relief Act, 1963, because the contracts prior to incorporation were void.

b. The Specific Relief Act, 1963 came as a relief to the promoters.

c. The Act provides that where the promoters of a public company have made a contract before its incorporation, for the purpose of the company and if the contract is warranted by the terms of its incorporation, the company may enforce it.

Basic Requirements for a Contract:

Entering into a legal contract with another individual or party helps provide legal protection, as well as a specific outline of the deal. When you enter into a contract with another party, it should meet a few requirements before it can be considered a valid legal contract.

(i) Specific Details:

In order for a contract to be valid it has to feature the specific contract details. In the contract, outline exactly what is being dealt with. If you are buying material from a dealer, it has to have the legal description of the material, so that there is no question about which material is being conveyed.

The contract should also be specific about the names of the parties involved and their role in the transaction. It should also outline the nature of the agreement.

(ii) Consideration:

A valid legal contract also must have consideration. Consideration is giving something of value in return for something else. In this section, the factors associated with consideration should also be included. For example, you should include information about payment terms, time considerations and other expectations.

(iii) Capacity to Contract:

Before a valid legal contract is created, both parties must be able to prove that they have the capacity required. This means that the individuals have to be of legal age, depending on state law and they must be of sound mind.

This means that if they are mentally handicapped or are under the influence of drugs or alcohol, they cannot enter into a binding contract. The parties must also enter into the agreement under their own free will and cannot be coerced into signing.

(iv) Legal:

The agreement also has to have legal terms. If you enter into an agreement to perform an illegal act, this would not constitute a legal contract. For example, if you enter into an agreement to launder money for an illegal operation, that contract would not be enforceable by the law because you are involved in an illegal activity.

(v) Proper Form:

A legal contract also must be in the proper form. Typically, this means that the contract must be in writing. The proper form is determined by the type of contract that you are engaged in and the laws of your state. In some cases, verbal contracts are binding and are perfectly acceptable. In most cases, you should do the contract in writing so that no confusion exists if any legal matters come up later.

General Principles for Entering into Contracts:

A contract is created the moment two people agree to do something for each other. These people, who are called “contracting parties”, can be individuals, bankers, customers, dealers, financial institutions, a group of people or representatives of a business.

In general, it is not necessary to sign a document for a contract to be created. A simple verbal agreement can be enough. However, some kinds of contracts must be in writing, and some must even meet other requirements to be valid.

For Example:

1. Many contracts between merchants and consumers must be in writing.
2. A mortgage contract for property must be in writing and made by a notary.

Of course, even when the law does not require a written document, it is often a good idea to put a contract in writing. When there is a written document and a problem arises, the disagreement does not become a case of “his/her word against mine”.

There are some areas that deserve careful attention during entering into a contract includes:

- (i) The terms of a contract must be precise and definite and there must be no room for ambiguity or misconstruction thereon should exist.
- (ii) No contract involving an uncertain or, indefinite liability or any conditions of an unusual character should be entered into without the previous consent of both parties.
- (iii) Subject to adequate prior scrutiny of terms, general or special, if any, standard forms of contracts should be adopted, wherever possible.
- (iv) In cases where standard forms of contracts are not used, legal and financial advice should be taken in drafting the contracts and before they are finally entered into.
- (v) Before entering into a contract or an agreement, all pros and cons should be considered and validity of contractual documents should be ensured.
- (vi) If you are sued because you did not respect your contract, you can avoid responsibility if you can prove there was an “Act of God” (event beyond human control), unless the contract states that you are responsible even if an act of God occurs.
- (vii) To be considered an Act of God, the event must be outside your control. It must have been absolutely impossible for you to predict the event and prevent its negative impact. Finally, you must have been completely prevented from respecting the contract and from having someone else carry out your duties under the contract for you.
- (viii) Generally a contract cannot be cancelled. However, it is possible to cancel a contract in some situations such as when the people involved did not have the right to enter into a contract.
- (ix) If your contract is cancelled, it is as though it never existed. The people involved must therefore return to the situation they were in before the contract was entered into. To do this, they must give back to the other person everything they received because of the contract.
- (x) While you may have the opportunity to negotiate before you agree, it is common for you to be offered the same or a similar contract as everyone else. This is known as a standard form contract. There are laws to protect you from unfair contract terms in standard form consumer contracts where you have little or no opportunity to negotiate with the trader.

Ending a Contract by Consumer:

There are limited circumstances when consumers may end a contract without penalty and these can include:

- (i) If the business has misrepresented the goods, services, terms or conditions
- (ii) If a cooling-off period applies.

A cooling-off period is a safeguard designed to give consumers the opportunity to change their minds about a purchase or agreement they have made. You have a right to a cooling-off period when you purchase goods or services through telemarketing or door-to-door sales.

4. Basic Start-Up Problems Faced by Entrepreneurs:

In the crucial initial period, startups face several problems to counter and overcome such as the intense competition for customer, market and venture capital money, the list is very large.

Keeping the venture from becoming one of the walking dead, the entrepreneur can do so by being aware of these predictable, yet preventable problems that can affect its growth and development.

Some such problems faced by start-ups are being briefly discussed below:

(i) Developing the Vision and Business Idea:

Developing a business idea is usually the first challenge faced by every entrepreneur when starting a business from scratch. Finding the right business opportunity or creatively developing an idea is certainly not an easy task.

“Envisioning the idea” is the first true task of an entrepreneur. As an entrepreneur, you must possess the ability to see what others cannot see. While others see problems, you must see opportunities.

(ii) Raising Capital for your Startup:

After developing your idea, the next challenge you are going to face when starting a business from scratch is that of raising capital. As an entrepreneur, you are the only one that knows business your idea to the core. You are the only one that knows the story of your future.

Trying to convince investors about something that does not exist is definitely a challenge. Trying to make them understand that you are trustworthy and equal to the task is not child’s play especially when you are building your first business.

Market Problems:

A major reason why companies fail is that they run into the problem of their being little or no market for the product that they have built.

(iii) Business Model Failure:

One of the most common causes of failure in the startup world is that entrepreneurs are too optimistic about how easy it will be to acquire customers. They assume that because they will build an interesting web site, product, or service, that customers will beat a path to their door.

That may happen with the first few customers, but after that, it rapidly becomes an expensive task to attract and win customers, and in many cases the cost of acquiring the customer is actually higher than the lifetime value of that customer.

(iv) Poor Management Team:

An incredibly common problem that causes startups to fail is a weak management team. Weak management teams make mistakes in multiple areas such as strategy; building a product that no-one wants to buy bad marketing strategies etc. They are also usually poor at execution, which leads to issues with the product not getting built correctly or on time, and the go-to market execution will be poorly implemented.

(v) Liquidity or Cash Crunch:

A fourth major reason that startups fail is because they ran out of cash. A key job of the CEO is to understand how much cash is left and whether that will carry the company to a milestone that can lead to a successful financing, or to cash flow positive.

(vi) Product Problems:

Another reason that companies fail is, because they fail to develop a product that meets the market need. This can either be due to simple execution. Or it can be a far more strategic problem, which is a failure to achieve Product/Market fit. Most of the time the first product that a startup brings to market does not meet the market need.

(vii) Finding Good Employees:

Business owners know how difficult it is to find a hardworking, trustworthy employee. Most employees want to work less and get paid more. Finding a good employee who will be passionate about delivering his or her services is quite difficult. Finding good employees is a minor task compared to the business challenge of forging your hired employees into a team.

“The competition to hire the best will increase in the years ahead. Companies that give extra flexibility to their employees will have the edge in this area.” – Bill Gates

“If you own a butcher shop, don’t hire vegetarians. To hire the right people, you have to let the wrong people go.” – Rich Dad

(viii) Finding Good Customers:

The next challenge you will face in the process of starting a small business from scratch is finding good customers. In the process of building a business, you will come to find out that there are good customers as well as bad customers. You must be on guard for bad customers. Good customers are really hard to find.

A good customer will be loyal to your company and will be willing to forgive you if you make a mistake and apologize. A good customer will try to do the right thing that will benefit both himself and your company mutually. Bad customers will always look for loopholes in the company's policy to exploit and make a few gains.

Bad customers will always try to exploit the company's goodwill and look for ways to rip off the company. Bad customers are responsible for bad debts. Good customers build your business and bad customers will always try to liquidate your business.

(ix) Dealing with Competition:

Competition is yet another challenge you will face when starting a business. Most individuals see competition as a plague but competition is a good challenge. It is a benchmark for creativity, the main engine that stimulates innovation and production of quality products at great prices. Without competition, there will be no innovation and without innovation, the world will be stagnant.

Competition keeps us on our toes and drives us to constantly improve our products and services. But you must be warned. Competition can make your business lose its relevance in the eye of your customers so you must always be on guard.

“In business, the competition will bite you if you keep running. If you stand still, they will swallow you.” – Victor Kiam

(x) Unforeseen Business Challenges and Expenses:

Just as a sailor prepares for unexpected storm, just as a pilot is always on the watch for unpredictable bad weather and thunderstorms, so must an entrepreneur prepared for whatever comes.

Unexpected challenges can come in the form of:

- i. Unexpected legal suits
- ii. Inconsistent government policy
- iii. Unexpected resignation of staff from sensitive office
- iv. Bad debts from customers
- v. Loss of market share
- vi. Dwindling working capital

vii. Inadequate stock or inventory

These business challenges, if not handled properly can ruin your plan to build a successful business. Another challenge you must expect is an unforeseen increase in business expenses. If not handled properly, it might result in constant negative cash flow and eventually; business failure.

(xi) Lack of Research & Development Facility:

We all know that it is a time for innovation and creativity. Any business can fail if there are no efforts being made to constantly innovate. The start-ups lack the financial viability and face cash crunch always, therefore, they find it difficult to have a R&D.

5. Methods to Solve Startup Problems:

Creating a startup, or managing any business, is all about problem solving. Some people are good at it and some are not. People who are good at problem solving are some of the most valuable and respected people in every area. In fact, success is often defined as “the ability to solve problems.”

In many cultures, this is called “street smarts,” and it is valued even more than “book smarts.” The best entrepreneurs have both. Entrepreneurs who are great problem solvers within any business are the best prepared to solve their customers’ needs effectively as well.

Following are some simple ways to solve or minimize a startup problem:

(i) Define the Problem Clearly:

Many executives like to jump into solution mode immediately, even before they understand the issue. In some cases, a small problem can become a big one with inappropriate actions. In all cases, real clarity will expedite the path ahead.

(ii) Pursue Alternate Paths:

Remember, there are some things that you can do nothing about. They are not problems; they are merely facts of life. Often, what appears to be a problem is actually an opportunity in disguise. Even if it does not turn into an opportunity, the entrepreneur must take an alternative course.

(iii) Identify the Cause of the Problem:

Find the root cause of the problem, rather than treating a symptom because if the root cause is not understood, the problem will likely recur, perhaps with different symptoms.

(iv) Identify Multiple Possible Solutions:

The more possible solutions you develop, the more likely you will come up with the right one. The quality of the solution seems to be in direct proportion to the quantity of solutions considered in problem solving.

(v) Make a Prompt Decision:

Select a solution, any solution, and then decide on a course of action. The longer you put off deciding on what to do, the higher the cost, and the larger the impact will be. Many start-ups take too long to decide & that becomes a reason for the failure.

(vi) Acknowledge and Correct:

Instead of getting offended or embarrassed when your product does not do well or someone bad- mouths your brand in attempt to elevate their own, look at the problem as a direct route to connect with your customers or competition. If your customers are unhappy, correct the problem.

(vii) Cut Costs In-House:

Entrepreneurs should run the business as lean an operation as possible, in every process from manufacturing to administrative functions efforts should be made to cut costs wisely. The start-ups should involve employees in this endeavour as well so that they cut costs happily and understand the entrepreneur's perspective.

(viii) Overcome Your Fears of Risk-Taking by confronting them Head-on:

Being an entrepreneur is risky business. Every decision you make could potentially hurt or help your company. Believe in trusting your instincts, educating yourself about the pros and cons of your decisions, and getting a second opinion from another entrepreneur in whom you confide.

(ix) Formulation of Strong Business Strategies:

Without strategy, change is merely substitution, not evolution. A solid strategy must be implemented in order to solve any problem. Many startups attempt to dissect a problem rather than identify the strategy for change that lies within the problem itself.

Effective startups always know how to gather the right people, resources, budget and knowledge from past experiences. They inspire people to lift their game by making the problem solving process highly collaborative; for them, it is an opportunity to bring people closer together.



KARPAGAM ACADEMY OF HIGHER EDUCATION

(Deemed to be University)

Under Section 3 of UGC Act 1956

Pollachi Main Road, Eachanari Post, Coimbatore - 641 021

SUBJECT: Entrepreneurship

SEMESTER: V

SUBJECT CODE: 16CMU503A

CLASS: III B Com

UNIT - V

S.NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4	ANSWER
1	_____ is a person responsible for setting up a business.	Entrepreneur	Businessman	Manager	Planner	Entrepreneur
2	EICI stands for _____	Export Inspection Company of India	Export Inspection Company of India	Export Inspection Council of India	Export Investigation Council of India	Export Inspection Council of India
3	.ICICI stands for _____	Industrial Company & Investment Corporation of India Limited	Industrial Corporation & Investment Company of India Limited	Industrial Credit & Investment Corporation of India Limited	Investment Credit & Investment Corporation of India Limited	Industrial Credit & Investment Corporation of India Limited
4	“Seed Capital Scheme” has been operated by	SBI	ICICI	IDBI	NSCI	IDBI
5	Capital is arranged from Internal sources refers to the owner’s own money known as	Profit	Capital	Equity	Cash	Equity

6	A corporate manager who starts a new initiative for their company which entails setting up a new distinct business unit and board of directors can be regarded as?	Ecopreneur	Technopreneur	Intrapreneur	Social Entrepreneur	Intrapreneur
7	Family business always interested to handover the change of his business to:	Indian Administration Officers	Sold to others	Professional Managers	Next generation	Next generation
8	Why should an entrepreneur do a feasibility study for starting a new venture	To identify possible sources of funds	To see if there are possible barriers to success	To estimate the expected sales	To explore potential customers	To see if there are possible barriers to success
9	The activity which occurs when the new venture is started is called:	Motivation	Business skills	Departure point	Goal orientation	Departure point
10	What is the process by which individuals pursue opportunities without regard to resources they currently control?	Startup management	Entrepreneurship	Financial analysis	Feasibility planning	Entrepreneurship
11	Which of the following is least likely to influence the timing of new business births?	Government policies.	Profitability.	Consumer expenditure.	Weather conditions.	Weather conditions.
12	The purpose of all good small business strategy is_____.	to increase turnover.	to increase profitability.	to achieve competitive advantage	to achieve stated objectives.	to achieve stated objectives.

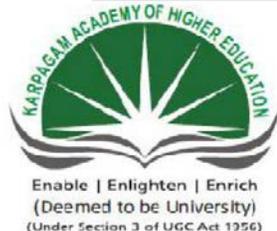
13	Which of the following is a recognized disadvantage of setting up as a start-up as compared with other routes to market entry?	less satisfaction of the owners.	less help from various agencies.	there are more funds required.	there is a high failure rate.	there is a high failure rate.
14	Someone legally appointed to resolve the financial difficulties of an insolvent firm is called_____.	an administrator.	a predator.	an auditor.	a turnaround consultant.	an administrator.
15	_____ is the first development bank of the country.	ICICI	IDBI	SFC	IFCI	IFCI
16	IFCI stands for_____.	Industrial finance corporation of India.	Institutional finance corporation of India.	Industrial funding corporation of India.	Indian finance corporation and institution.	Industrial finance corporation of India.
17	When a firm enters into business which is unrelated to its existing business both in terms of technology and marketing _____.	conglomerate diversification.	horizontal integration.	vertical integration.	concentric integration	conglomerate diversification.
18	Seed capital assistance _____.	a long-term assistance.	initial assistance	a help for the purchase of seeds.	a short-term assistance.	initial assistance
19	Memorandum of association of a firm contains _____.	rules regarding the internal management of the company.	rules regarding the constitution and activities of the company.	rules regarding the external management.	rules regarding the constitution.	rules regarding the constitution and activities of the company.
20	_____ is the most important to start an enterprise.	Seed capital	report	project	finance	finance

21	_____ is the second stage in life cycle segmentation.	plan	segment	growth	business	growth
22	_____ is the heart of the project	Project idea	Project identification	Project design	Project selection	Project design
23	Every project has _____ basic dimensions	One	Two	Three	Four	Three
24	The small industries are exempted from _____	small scale	Expense	Scale	income tax	income tax
25	Which one of the following is not an Intrapreneurial leadership characteristic	Encourage the team work	Not flexible	Understands environment	persistent	Not flexible
26	Industrial estates promote_____..	people	industrialisation	person	estates.	industrialisation
27	The main function of _____ is to cater small industries.	SFC	DIC	IFCI	TIIC	SFC
28	_____ gives assistance to small Entrepreneurs.	Government Companies	Industries	Commercial banks	Private	Commercial banks
29	In 1948_____ was set up.	IFCI	ICFI	TIC	CIT	IFCI
30	The IFCI concentrates mainly to_____ Industries.	small scale	Large Scale	medium	tiny	Large Scale
31	EDPs are conducted by _____	Entrepreneurs	Specialized Institutions	Business Community	Business company	Specialized Institutions
32	_____presupposes commitment to tasks to be performed with well-defined objectives, schedules and budget.	Plan	Promote	Project	Select	Project
33	Someone who improves an existing business can be called _____.	An intrapreneur	A Professional	A co-worker	A worker	An intrapreneur

34	Financial analysis is one of the methods of _____ of the company	Produce	Goal achievement	project appraisal	Marketing	Goal achievement
35	A _____ will be estimated to anticipate sales profit.	Product	firm	data	goals	Product
36	SIDO s provide_____.	knowledge	lateral	consultancy	groupism	consultancy
37	SIPCOT s provide _____ to small entrepreneurs.	failure	training	economic	Food	training
38	SIDC's set up under _____ Government	state	small	central	local self	central
39	A person owning and running a small firm is known as _____	A manager – owner	An owner-manager	A Professional chapter	An enterprise worker	An owner-manager
40	An entrepreneur will be an_____	organizer	manager	seller	purchaser	organizer
41	Entrepreneurs will be_____	strong	optimistic	thinking	weak	optimistic
42	_____are not raised by Intrapreneurs.	persons	manager	funds	talent	funds
43	_____Entrepreneurs are those women who start a business.	concern	single	Drone	women	women
44	The study of organizational behavior mainly involves the study of	individuals and groups	buildings	structures	departments	individuals and groups
45	Which law of learning is also called the law of use and disuse?	Law of exercise	Law of readiness	Law of effect	Law of intimacy	Law of exercise
46	Who said, "I think therefore I am"?	Discartes	Plato	Aristotle	Rousseau	Discartes

47	An _____ bears uncertainty.	Inventor	entrepreneur	Manager	Employer	entrepreneur
48	An entrepreneur is the _____ of an enterprise.	Servant	Owner	Manager	Advisor	Owner
49	The resistance of employees in an organization against flexibility, growth, and diversification can be overcome by developing:	Entrepreneurship	Intrapreneurship	Managerial domain	Administrative domain	Intrapreneurship
50	The everyday tasks of management include:	planning and creativity	planning and leading	publicity and loss adjustment	plotting and leading	planning and leading
51	The observation of people at work that would reveal the one best way to do a task is known as	scientific management	classical management	human relations management	creative management	scientific management
52	The study of organizational behaviour includes	diplomacy, scientology, psychology	sociology, psychology, anthropology	socioeconomics, philosophy, anthropology	physiology, society, anthropology	sociology, psychology, anthropology
53	Entrepreneurs need _____	knowledge	lateral	training	curtsey	training
54	_____ is needed to motivate people.	TDE	EDP	DEP	PDE	EDP
55	Which of Maslow's needs is this most related to?	physiological	safety	belongingness	self-actualization	self-actualization
56	Strong, relatively uncontrollable feelings that affect our behavior are known as _____.	motivations	personality	emotions	perceptions	emotions
57	Which term is often used interchangeably with the term "motivation"?	personality	need	emotions	perceptions	need

58	A _____ is a common utilities.	repair	firm	welding shops	foms	welding shops
59	One of the utilities include_____.	details	firm	fuel	Goal orientation	fuel
60	Loans are provided by the commercial banks to the entrepreneurs at low _____ rate	Real	interest	cash	normal	interest
61	Indian Planning Commission classifies the projects under the category of	Economic development	Sectors	Quantity	Facto intendi	Economic development



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Coimbatore – 641 021.

LECTURE PLAN DEPARTMENT OF COMMERCE

STAFF NAME: PADMAAVATHY.PA
SUBJECT NAME: ENTREPRENEURSHIP
SUB.CODE: 17CMU503 A
SEMESTER: V
CLASS: III B.COM

UNIT-1

S. No.	LECTURE DURATION (Periods)	TOPICS TO BE COVERED	SUPPORT MATERIALS
1.	1	Introduction about entrepreneurship	T1-13
2.	1	Meaning, elements of entrepreneurship	T1-14
3.	1	Determinants of entrepreneurship	T1-16
4.	1	Determinants of entrepreneurship	T1-19
5.	1	Importance of entrepreneurship and creative behaviour	T1-14
6.	1	Entrepreneurship and creative response to the society problems	T1-36
7.	1	Entrepreneurship and creative response at work	T1-36
8.	1	Dimensions of entrepreneurship	R1-3
9.	1	Intrapreneurship	R1-7
10.	1	Technopreneurship	T1-76
11.	1	Cultural and international entrepreneurship	https://culent.com/definitions/
12.	1	Netpreneurship and ecopreneurship	http://www.greenne.com/an-introduction-to-ecopreneurs/
13.	1	Social entrepreneurship	https://www.shopify.com/encyclopedia/social-entrepreneurship

14.	1	Recapitulation and discussion of important questions	
		Total no. of hours planned for unit-1	14 hours

UNIT-2

S. No.	LECTURE DURATION (Periods)	TOPICS TO BE COVERED	SUPPORT MATERIALS
1.	1	Introduction about MSME	https://msme.gov.in/
2.	1	Small enterprises	
3.	1	Medium enterprises	
4.	1	Concept of business groups	T1-20
5.	1	Role of business houses and family business in India	T1-20
6.	1	Role of entrepreneur in economic development	R1-20
7.	1	Contemporary role models of Indian business- their values	https://www.businessmanagementideas.com/business/role-models/contemporary-role-models-in-indian-business/18182
8.	1	Contemporary role models of Indian business- their values	https://www.businessmanagementideas.com/business/role-models/contemporary-role-models-in-indian-business/18182
9.	1	Business philosophy	https://www.upcounsel.com/business-philosophy-definition
10.	1	Behavioural orientation	https://www.oxfordreference.com/view/10.1093/oi/authority.20110803095456872
11.	1	Conflict in family business	SR1-304
12.	1	Conflict in family business	SR1-311
13.	1	Resolution to conflicts	SR1- 317
14.	1	Recapitulation and discussion of important Questions	-
		Total no. of hours planned for unit-2	14 hours

UNIT-3

S. No.	LECTURE DURATION (Periods)	TOPICS TO BE COVERED	SUPPORT MATERIALS
1.	1	Public and Private System of Stimulation	https://www.franchiseindia.com/entrepreneur/article/features/enablers/Recent-initiatives-to-boost-start-ups-and-entrepreneurship-in-India-642
2.	1	Support and Sustainability of Entrepreneurship	https://www.franchiseindia.com/entrepreneur/article/features/enablers/Recent-initiatives-to-boost-start-ups-and-entrepreneurship-in-India-642
3.	1	Requirement - availability -Access to Finance	T1-423
4.	1	Requirement - availability -Access to Finance	R1 - 143-151
5.	1	Marketing Assistance - Introduction	T1- 584
6.	1	Technology	R1 - 160-170
7.	1	Industrial Accommodation	R1 - 236
8.	1	Role of Industries-Entrepreneur's Associations and Self-Help groups	W3.1 https://www.youtube.com/watch?v=fkGYI112Qm0
9.	1	The concept, Role and Functions of Business Incubators	W3.2 https://smallbusiness.chron.com/importance-business-incubators-34079.html
10.	1	Angel Investors	https://www.entrepreneur.com/encyclopedia/angel-investor
11.	1	Angel Investors	https://www.entrepreneur.com/encyclopedia/angel-investor
12.	1	Venture Capital	T1-548
13.	1	Venture Capital and Private Equity Fund	T1-548
14.	1	Recapitulation and discussion of important questions	-
Total no. of hours planned for unit-3			14 Hours

UNIT-4

S. No.	LECTURE DURATION (Periods)	TOPICS TO BE COVERED	SUPPORT MATERIALS
1.	1	Significance of Writing the Business plan	R1 – 88
2.	1	Project Proposal	R1-78
3.	1	Project Proposal	R1-78
4.	1	Contents Of Business Plan/ Project Proposal	R1 - 89
5.	1	Designing Business Processes	R1 – 90
6.	1	Designing Business Processes	R1 – 90
7.	1	Location – Layout - Operation, Planning & Control	T1-280,294
8.	1	Preparation Of Project Report	T1-266-74
9.	1	Preparation Of Project Report	T1-266-74
10.	1	Project Submission/ Presentation	T1-266-74
11.	1	Project Submission/ Presentation	T1-266-74
12.	1	Appraisal Thereof By External Agencies	R1-90
13.	1	Financial/Non-Financial Institutions	R1- 108-124
14.	1	Financial/Non-Financial Institutions	R1- 108-124
15.	1	Recapitulation and discussion of important questions	-
		Total no. of hours planned for unit-4	15 Hours

UNIT-5

S.No	LECTURE DURATION (Periods)	TOPICS TO BE COVERED	SUPPORT MATERIALS
1	1	Mobilizing Resources for Start-up	T1- 424-426
2	1	Mobilizing Resources for Start-up	T1- 424-426
3	1	Accommodation and Utilities	T1-629
4	1	Accommodation and Utilities	T1-629
5	1	Preliminary Contracts with the Vendors	R1 - 152
6	1	Preliminary Contracts with the Vendors	R1 - 152
7.	1	Suppliers	W12
8.	1	Bankers	R1 - 144
9.	1	Principal Customers	https://www.businessnewsdaily.com/4813-contract-management.html
10.	1	Contract Management	https://www.businessnewsdaily.com/4813-contract-management.html
11.	1	Basic start-up Problems	T1-697
12.	1	Recapitulation and discussion of important Questions	-
13.	1	Revision: Discussion of Previous ESE Question papers	-
14.	1	Discussion of Previous ESE Question papers	-
15	1	Discussion of Previous ESE Question papers	-
		Total no. of hours planned for unit-5 & Question Paper Discussion	15 hours

SUPPORT MATERIALS

Text Book:

T1: Vasant Desai. (2002) Dynamics of Entrepreneurial Development and Management. Mumbai, Himalaya Publishing House.

Reference Books:

1. Khanka, SS (2001). Entrepreneurial Development, S. Chand & Co, Delhi,
2. Singh, Nagendra P. (2015) Emerging Trends in Entrepreneurship Development. New Delhi: ASEED
3. Ramachandran, K. (2008), Entrepreneurship Development, McGraw-Hill Education
4. SIDBI Reports on Small Scale Industries Sector, 2001 5. Gupta C.B & Srinivasan N.P (2013). Entrepreneurial Development, 5th Edition.

Website Reference

W1 : www.yourarticlelibrary.com

W2 : www.businessmanagementideas.com

W3 : www.businessdictionary.com

W4 : www.hbs.edu

W5: <http://developmentconnectltd.com>

W6: <http://shodhganga.inflibnet.ac.in>

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W7: <https://smallbusiness.chron.com>

W8: www.ilo.org

W9: www.wisdomjobs.com

W10: www.nstedb.com

W11: www.icsi.edu

W12: www.infoentrepreneurs.org

W13: www.quora.com

Assignment / Seminar Topics:

Unit – I : Different Kinds of Entrepreneurship

Unit – II : Contemporary Role Models

Unit – III : Angel Investors and Venture Capitalists

Unit – IV : Preparation of Project Report

Unit – V : Mobilizing resources for Startup