

Noorul Islam College of Engineering, Kumaracoil

Department of Management Studies

BA 1734 – ENTREPRENEURSHIP DEVELOPMENT

- A.V.Roopa

Part – A (2 Marks)

1.What is an Enterprise?

The enterprise is the basic unit for economic organization. It transacts with other unit in the economy, it produces a product worth more than the resources used

2.What is Intrapreneurship?

Intrapreneurship is the process by which other new ventures are born within the confines of an existing corporation. It involves expansion by exploring new opportunities through new combinations of existing resources.

3.Define Entrepreneur.

According to Noah Webster, Entrepreneur is “ one who assumes the risk and management of business”

4.Mention the different features of an Entrepreneur.

- 1.Capacity and willingness to assume risk
- 2.Willingness to hard work
- 3.Vision and foresightedness
- 4.Creative and imaginative thinking
- 5.Innovative and willingness to change

5.What do you meant by Achievement motivation?

According to McClelland achievement motivation can be developed through training and experience. Ambition is the lever of all motives and nourishes achievement motive.

6. What are the types of Entrepreneur?

1. Innovating
2. Imitating
3. Fabian
4. Drone

7. What is motivation?

Motive may be defined as the inner state of our mind that moves or activates our energies and directs our behaviour towards our goal.

8. What is social mobility?

Social mobility involves the degree of mobility, both social and geographical and the nature of mobility.

9. What is the role of the Entrepreneurship in economic development?

- Capital formation
- Improvement in per capita income
- Generation of employment
- Balanced regional development
- Improvement in living standards
- Economic development.

10. What are the requisites of success in business?

- Clear cut objectives
- Efficient business planning
- Proper size
- Location and layout

11. What is project identification?

It is the process of identifying opportunities for new business ventures.

12. What is selection of product?

It is the first major step in the setting up of a business enterprise. Choice of the right product to be produced is the first essential of success in entrepreneurship.

13. What is project formulated?

Project formulated is the systematic development of a project idea for the eventual purpose of arriving at an investment decision. It involves a step by step investigation and development of project idea.

14. What is Technical feasibility?

Identifying the technical specification of the product in terms of its functional design, adaptability of new customer demand, durability, reliability of performance, acceptable level of obsolescence, safety and standardization.

15. What are the assessments of project feasibility?

- Technical Feasibility
- Economic Viability
- Financial Feasibility
- Managerial Competence
- Implementation Scheme

16. What is Market survey?

Before the production actually starts, the entrepreneur needs to anticipate the possible market for the product. He has to anticipate who will be the possible customer for his product.

17. Define Partnership firm.

According to Sec(4) of the Partnership Act 1932, Partnership is the relation between persons who have agreed to share the profit of the business carried on by all or any one of them acting for all.

18. What are the characteristics of Partnership firm?

- Existence of a lawful business
- Sharing of profit and losses
- Mutual agency among the partners
- No separate legal entity
- Unlimited liability
- Good faith

19. What is financial planning?

Financial planning is the process of formulating policies and strategy relating to the procurement, investment and administration of funds for an enterprise.

20. What are the characteristics of small business?

- High proportion of working funds
- High gearing
- Personal control
- Low credit standing
- Poor documentation

21. What is debt equity consideration?

Optimum capital structure implies the most economical and safe ratio between debt and equity. It is the ideal mix of ownership funds and borrowed funds. From a strictly financial point of view, the optimum capital structure is achieved by balancing the financial so as to achieve the lowest average cost of long term funds.

22. What is IFCI?

Industrial Finance Corporation of India is to make medium and long term credits more readily available to industrial concerns in India, particularly in circumstances where normal banking accommodation is inappropriate or recourse to capital issue methods is impracticable.

23. What are the objects of ICICI?

- To assist in the promotion expansion and modernization of industrial enterprise
- Encourage and promote the participation of private capital both Indian and foreign
- Promote private ownership of industrial investment and expansion of investment markets

24. What is Venture capital?

It is a form of equity financing of projects with high risk and return. It is meant for financing high technology projects.

25. What is export finance?

In order to encourage export from small scale sector, export credit is provided to small scale exporters. State Bank of India and other public sector banks provided export finance. The RBI and the IDBI provide refinance facility.

26. What is IDBI?

Industrial Development Bank of India was set up on July 1, 1964 as an apex institution in the field of industrial finance. It provides assistance to small scale units indirectly through its refinance and bills rediscounting schemes.

27. What is the assistance by commercial bank?

Term loan, Installment credit, Special schemes of assistance and credit guarantee scheme.

28. What is technology for small business?

Technology implies know how design and intellectual input of doing thing. It refers to the practical application of the principles of science to day-to-day industrial and commercial use.

29. What is market assessment?

Different customer requires different types or qualities of a product. A small-scale unit cannot meet the requirement of all types of customers. Therefore, it has to choose a target market or group of customers. After identifying the target market it should estimate the total demand.

30. What is market segmentation?

A market consists of heterogeneous customers who differ in terms of their needs, preference and buying capacity. A different marketing approach is necessary for every customer group.

31. What is pricing policy?

Price is an important element of marketing mix as it influences the profit margin and the sales volume. Pricing involves not only fixing the base price but also deciding the discount structure mode of payment, currency to be used, etc.

32. What are the special characteristics of International Trade?

- Rules and regulation
- Risk in transit
- Physical Distance
- Credit worthiness of dealers
- Difference in language
- Currency

33. What is Tax holiday?

Under section 80 IA of the Income tax Act, 1961, deduction is allowed in computing the taxable income in respect of profits derived from a new industrial undertaking or a ship or the business of a hotel

34. What are the basic elements of export procedure?

- Registration of exporter
- Selection of export market and buyer
- Receipt of enquiries
- Receipt of intend
- Preparation of goods for export
- Arranging insurance coverage
- Obtaining the shipping order
- Dispatching goods
- Certificate of origin

35. How is documentation for exports prepared?

- i. Proforma invoice
- ii. Intend
- iii. Letter of credit
- iv. Packaging list
- v. Marine Insurance Policy
- vi. Bill of Lading
- vii. Commercial invoice
- viii. Bill of exchange
- ix. Certificate of origin

36. What is the role of the Institutional assistance for exporters?

- Arranging participation in international exhibitions
- Arranging Indian exhibitions abroad
- Running show rooms in foreign countries
- Setting up trade centers in selected important markets outside India

37. What are the groups of Export credit and Guarantee Corporation?

- Standard policies issued to exporters to protect them against the risk of trading with overseas buyers on credit terms
- Financial guarantees issued by banks against the risk involved in providing credit to exporters
- Special policies

38. What is International Collaboration?

International / Foreign collaboration implies a business partnership/joint venture between an Indian entrepreneur and a foreign entrepreneur. It may be a technical collaboration where in the participant provides advanced technology and technical know-how to the Indian partner.

39. What is Joint Stock Company?

It is a voluntary association of individuals for profit having a capital divided in to transferable shares.

40. Define co-operative organization.

It is an association of person, usually of limited means who have voluntarily joined together to achieve a common economic end through the formation of a democratically controlled business organization, making equitable contributions of the capital required and accepting a fair share of risk and benefits of the undertaking.

41. What are the types of co-operatives?

- Producers
- Consumers
- Marketing
- Co-operative credit societies

42. What are the types of growth strategy?

- Expansion
- Diversification
- Mergers
- Sub contraction

43. What is diversification?

It is no longer possible for a firm to expand in the basic product market. Therefore the firm must add new products or markets to its existing business line this approach towards the growth is called as diversification.

44. State the Schumpeter's view of entrepreneur.

An entrepreneur is an innovator who brings economic development through new combinations of factors of production.

45. Define Sickness.

According to Reserve Bank of India, a sick unit is one which incurs cash losses for one year and is likely to continue to incur cash losses for the current year as well as the following year.

46. What are the symptoms of Industrial sickness?

1. Persisting of shortage of cash
2. Deteriorating financial ratios
3. Widespread use of creative accounting
4. Continuous tumble in the price of the shares
5. Frequent request to banks and financial institution for loan

47. What are the consequences of industrial sickness?

Financial loss, loss of employment, industrial unrest, harms to invest, wastage of scarce resources and loss of public revenue.

48. What is an industrial estate?

It is a method of organizing, housing and servicing industry, a planned clustering of industrial enterprises offering standard factory buildings erected in advance of demand and a variety of service and facilities to the occupants.

49. What is self-sufficiency?

Some firms grow to become independent in terms of marketing of raw material or marketing of products. They integrate the various stages of industry or acquire other firms to gain control over the supply of materials and marketing of finished goods.

50. What are the major causes of sickness?

Internal causes mainly relate to the poor quality of top management External causes relate to external factors arising outside the organization

51. What is the rehabilitation of sick units?

- Sick Industrial companies Act 1985
- IDBI's Special cell
- Sick Industrial Undertaking Cell
- Co ordination committees
- Quarterly Bank Report
- Industrial Reconstruction Bank of India

52. What are the roles of government in preventing the sick units?

The number of industrial units in the country has increased enormously after the independence we have diversified industrial structure with widespread entrepreneurship. Government is responsible for this with its effort at creating infrastructure facilities, specialized industrial and packaging of incentives for entrepreneur.

53. What are the institutions supporting the entrepreneurs?

District Industrial center, Small Industries Development Organization, National Small Industries Corporation, National Industrial Development Corporation Ltd., Small Industries Extension Training Institute Hyderabad and State Trading Corporation of India.

54. What are the roles of financial institution in preventing sickness?

Apex financial institution like IDBI, IFCI, ICICI and nationalized commercial banks are in a favorable position to prevent industrial sickness. These are to remain in constant touch with the units with market conditions as well as the funded units are in an excellent position for receiving early warning of sickness.

55. What are the various EDP's conducted in India?

- EDP's among non engineers
- EDP's among self employment beneficiaries
- EDP's among women entrepreneur
- EDP's for rural artisans, students, weaker section of the society, physically handicapped person, etc.

56. Define plant layout?

Plant layout is referred to the arrangements and location of different departments and of the machinery within a department so that an optimum utilization of space available can be made with a view to enabling plant to function in an effective manner.

57. What is working capital?

It is the amount of funds which an SSI must have to finance its day to day operation.

58. How project report prepared?

A project report is prepared by the entrepreneur himself or by his consultants or associates in order to present relevant facts before the decision makers to enable them to decide whether the project is worthwhile for the investment or not.

59. What is feasibility report?

A feasibility report or a project report of a new enterprise or of an expansion of the existing unit provides in general, primary economic information, financial data and technical data which serve a quite number of discrete economic processes or cost structure of the industry concerned.

60. What is financial ratio analysis?

It is a quantitative technique for assessing the financial health of a unit from the accounting data and helps to describe the significant relationship between two comparable figures in the financial statement.

61. What is seed capital?

Seed capital is also termed as initial capital that is required to obtain loans from the financial institutions.

62. What are the qualities of true entrepreneur?

True entrepreneur is the one who perform his functions successfully to the extend to which he can. The performance can be assessed through

- 1) The nature of quality control
- 2) Cordial relationship with labour
- 3) Reduction in costs
- 4) Profitability of the unit

63. What is Fabian Entrepreneur?

These are traditionally bounded entrepreneurs who would always be cautious and they neither introduce new changes and they neither introduce new changes, nor adopt new methods innovated by the most enterprising entrepreneurs. They are lazy, follow old customs, tradition, sentiments .etc.

64. What is Drone Entrepreneur?

These entrepreneurs never allow any change in their production and the style of functioning. They never explore opportunities and neither prepare to take any risk. They may even meet losses due to obsolete methods of production, but do not change their production methods and continue to adopt traditional ways in production processes.

65. What is marketing mix?

The entrepreneur always tries to choose a mix of alternatives/decisions amongst the alternatives that may yield the maximum returns for him/her. There are usually four main decision areas. Viz. products, price, promotion and place which constitute a mix of decisions.

66. Define Branding.

“A brand is a name, term, sign, symbol or design or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

67. What is Packaging?

Packaging is considered as an important element of product mix. Some marketers even consider it as a fifth ‘p’ along with product, price, promotion and physical distribution. Packaging has been variously defined.

68. What is distribution channel?

A channel of distribution or marketing channel is the structure of intra company organization units and extra-company agents and dealers, wholesale and retail through which a commodity, product or service is marketed.

69. How to select a suitable channel?

The success or failure of an enterprise inter alia depends upon to a great extent, the selection of a suitable channel of distribution. There are a number of factors that must be considered when a channel of distribution is to be selected.

70. What is Man power Planning?

Under Man power planning the management needs to ask itself two basic questions of

- (i) what kind of people do we need
- (ii) How many people to do we need.

71. What are the identification of job requirements?

1. Conducting job analysis
2. Job Description
3. Job satisfaction

72. What is recruitment?

Recruitment in small scale industries is more difficult because these cannot compete with larger counterparts in salary, fringe benefits and apparent stability.

73. Define Training.

Training may be defined as any procedure initiated by an enterprise which intends to foster and enhance learning among the employees working in the enterprise. So far as the training in small-scale units is concerned, the owner himself takes the responsibility for developing and conducting the training programmes.

74. What are the objectives of training?

1. To improve job performance by enhancing employee's knowledge and skill
2. To prepare employees well competent to discharge the new responsibilities.
3. To impart skill how to operate the new machinery and equipments
4. To reduce the wastage and accidents.
5. To build a second line for more responsible positions at a later stage.

75. What are the methods of training?

1. On the job training
2. Apprenticeship training
3. Job Rotation
4. Outside training.

76. What are the characteristics of a successful Training programme?

1. Its objectives and scope are clearly defined
2. The training techniques are related directly to the needs and objectives of the organization
3. It employs accepted principles of learning.

77. What is on the job training?

The oldest and most commonly used training techniques in the small scale units is the on the job training. It consists of the employees receiving training from their supervisors or other departmental members while they perform their regular jobs.

78. What is Job Rotation?

In this training programmed, employees are moved from job to job for a few hours a day, a few days a several weeks. Thus if one employee is absent, another employee can be well fill in the absence.

79. What is Apprenticeship training?

It combines both formal classroom learning and on the job experience. This kind of training programmed is provided mainly in the technical cadres. Plumbers, electricians and bankers are example or such training.

80. How training is given in the small scale industries?

The training opportunities for both skilled and unskilled employees.

- (i) the fear that the trained employees would demand for higher salaries
- (ii) employees training will dislocate their schedule
- (iii) imparting training to employees involves sizeable expenses.

81. What is Development?

Development is concerned with the growth of an employee in all respects. The term development is generally used for employees working in the managerial ladder.

82. What is remuneration?

Remuneration is expressed in terms of wages represent income to the employees they represents costs to the employer and potential taxes to the government.

83. What is Wages?

The wages in small enterprises are not fixed on well established norms and principle of equal pay for equal work.

84. What is Bonus?

Bonus is money given in addition to an agreed compensation payment of festival bonus for example, to the employees is such as an additional payment.

85. What is Overtime?

The rate of overtime is twice of his ordinary wages.

86. What is Welfare payments?

In view of adverse effects of illness and injury of the employees their compensation is of great importance. Therefore, employee welfare is not considered a waste but an excellent investment which produces returns much greater than the cost involved.

87. Objectives of the Minimum wages Act.

The main object of the Act is to determine the minimum wages in the certain employment in the industry and trade where labour organizations like trade unions are either non-existent or ineffective.

88. What is Social Mobility?

Social Mobility involves the degree of mobility both social and geographical and the nature of mobility of channels within a system.

89. What are the entrepreneurial performance in India?

- (a) socio-cultural background of the entrepreneur
- (b) Motivational force
- (c) Knowledge and ability of the entrepreneurs
- (d) Financial strength

90. Define Gestation Period.

It is defined as the time gap between the date of incorporation and the date of commencement of commercial production.

91. What are tiny Units?

These refer to undertakings having fixed investment in plant and machinery not exceeding of Rs.5lakhs. These also include undertakings providing services of laundry, repairs etc.

92. Characteristics of small scale business.

1. Personal character
2. Closely held
3. Local area of operation
4. Labour intensive
5. Indigenous resources
6. Limited scale of operations

93. What is Indigenous resources?

Small scale units that use the local resources. Therefore, they have decentralized or dispersed location.

94. What are the problems faced by women entrepreneur?

General problems like raw material, marketing, finance, infrastructure and manpower.

95. What are the phases of EDP?

1. Pertaining phase
2. Development phase
3. Post training phase

96. What is business organization?

A business enterprise may be defined as an organization or institution engaged in trading, commercial or industrial activities.

97. What is private enterprise?

A private sector enterprise is owned, controlled and managed by individuals or groups of individuals known as enterprise.

98. What is public enterprise?

According to A.H.Hansen, “A public enterprise means government ownership of a business undertaking”.

99. What is joint enterprise?

Joint enterprises are those where in the management and control are jointly shared by the government, private entrepreneurs and the public.

100. What are the types of private enterprises?

- i. Sole proprietorship
- ii. Joint Hindu Family firm
- iii. Partnership firm
- iv. Joint stock company
- v. Co operative organization

101. What are the key factors influencing the mobility of entrepreneur?

1. Resources
2. Experience
3. Education

Part – B(16 Marks)

1. Explain the various forms of Business Environment.

- Sole proprietorship
- Joint stock company
- Partnership
- Co operative societies

2. What are the environmental and social factors influencing entrepreneurship?

- Economic conditions
- Labour
- Raw material
- Social factors
- Psychological factors

3.Explain the different types of Entrepreneurs?

- Innovative
- Imitative
- Fabian
- Drone

4.Explain the various types of growth strategy?

- Expansion
- Diversification
- Mergers
- Sub contraction

5.Explain the essential qualities needed of a successful entrepreneurs?

- Initiation
- Watching for opportunities
- Persistence
- Information Seeker
- Quality conscious
- Commitment to work
- Proper planning

6. Explain the skills required for an entrepreneur?

Technical skill

Entrepreneurial skill

Business Management skills

7.What are the distinguishing characteristics of a successful entrepreneur?

- Capacity and willingness to assume risk
- Willingness to hard work
- Vision and foresightedness
- Creative and imaginative thinking
- High need achievement
- Ability to marshall resources
- High degree of ambition

8.What is the role of entrepreneurship in economic development?

- Capital formation
- Improvement in per capita income
- Generation of employment
- Balanced regional development
- Improvement in living standards
- Economic development.

9.How are project classified? What are the guidelines for formulating projects?

- Feasibility study
- Techno economic analysis
- Input analysis
- Financial analysis

10.What are the importance of project planning and control? How it is done?

- Planning would help to optimize the use of scarce resources
- Optimization and better utilization of the existing resources
- Result is the desired benefits like productivity, quality etc.

11.Explain the various measures taken by the government to rehabilitate sick units.

- Sick industrial companies Act 1985
- IDBI Special cell
- Sick Industrial Undertakings Cell
- Coordination Committees
- Quarterly Bank Reports
- Industrial Reconstruction Bank of India

12.Entrepreneurs are born and not made' Substantiate your answer with appropriate examples.

13.Explain the various sources of finance for a SSI.

- Short term
- Medium term
- Long term

14.Explain the contributing factors for sickness in the small scale sector and popular preventive measures.

- Incipient Sickness
- Sickness

15.Explain the various financial and development institutions.

IFCI

ICICI

IDBI

EXIM Bank

NSIC

SIDBI

16.Explain the Industrial Credit and Investment Corporation of India.

Purpose

Objectives

Area Of Assistance

Subsidiaries

Functions

17.Briefly explain the Feasibility Report.

Feasibility report Conditions

Scope

General Format

18.Explain the Life Cycle approach.

- Educational environment
- Individual personality
- Childhood family environment
- Employment history

19. Explain the phases involved in Entrepreneurial Development Programme.

Pre training phase

Development phase

Post training phase

20. Explain the documentation for exports procedure

Proforma invoice

Intend

Letter of credit

Packaging list

Marine Insurance Policy

Bill of Lading

Commercial invoice

Bill of exchange

Certificate of origin

