

ENTREPRENEURSHIP DEVELOPMENT

UNIT I

TWO MARK QUESTIONS:-

1. Who is an entrepreneur?

Ans:-The term “entrepreneur” is derived from the French word *entreprendre* which means, “to undertake” i.e., the person who undertakes the risk of new enterprise.

2. Define innovating entrepreneur.

Ans:-Such entrepreneurs introduce new goods or new methods of production or discover new markets or reorganize their organizations. Entrepreneurs in this group are characterized by an aggressive assemblage of information for trying out a novel combination of factors. Such entrepreneurs can do well only when a certain level of development has already been achieved; they look forward to improving upon the past.

3. Bring out the types of entrepreneur on the basis of functional characteristics.

Ans:- (i)Innovative Entrepreneur

(ii)Initiative or Adoptive Entrepreneur

(iii)Fabian Entrepreneur

(iv)Drone Entrepreneur

4. State the characteristics of entrepreneurship.

Ans:- (i)Economic Activity

(ii)Decision Making

(iii)Risk Taking

(iv)Dynamic Process

(v)Skilful Management

(vi)Purposeful Activity

(vii)Accepting Challenges

(viii)Building Organisation

(ix) Gap Filling Function

(x) Innovation

(xi) Mobilisation of Resources

5. Highlight the barriers to entrepreneurship.

Ans:- 1. Economic Barriers:

(i) Capital and Credit Access

(ii) Labour

(iii) Raw Materials

(iv) Excessive, Complex, and Arbitrary Taxation

2. Non-Economic Barriers:

(i) Social Barriers:

(a) Emotional Block

(b) Indian Culture Values

(c) Regulatory barriers and Defective Administrative

(d) Defective Tax Structure

(ii) Personal Barriers

(a) Difficulty and Ambiguity

(b) Impatience in Solving Problems

6. Explain entrepreneurial personality.

Ans:- The concept of personality characteristics. Researchers have identified a large number of characteristics that might be associated with entrepreneurial behaviour but the casual relationships remain unclear.

7. Define the term competency.

Ans:-According to Spencer and Spencer, "A competency as an underlying characteristic of an individual that is causally related to criterion referenced effective and/or superior performance in a job or situation".

8. What are the entrepreneurial process?

Ans:- (i)Identify and Evaluate Opportunity

(ii)Develop Business Plan

(iii)Determine Resources Required

(iv)Manage the Enterprise

9. What are the knowledge of entrepreneur?

Ans:- (i)Academic Technical Knowledge

(ii)Knowledge of Operation Management

(iii)Knowledge of Financial Management

(iv)Knowledge of Law

(v)Knowledge of Finance

10. What are the skills of entrepreneur?

Ans:- (i)Administration Skills

(ii)Leadership Skills

(iii)Conflict and Consensus Management Skills

(iv)Interpersonal Skills

(v)Communication Skills

(vi)Problem-Solving Skills

(vii)Technical Skills

(viii)Marketing Skills

(ix)Selling Skills

(x)Decision-Making Skills

(xi)Financial Skills

LONG ANSWER TYPE QUESTIONS:-

1. Give the characteristics of successful entrepreneurs along with their types.
2. Bring out the concept of entrepreneurship. Explain the stages in entrepreneurial process in detail.
3. Explain the role of entrepreneurship in economic development. What are the barriers to entrepreneurship?
4. Discuss the awareness, assessment and development of entrepreneurial competencies.
5. Discuss Entrepreneurship as a Career. What are the factors favouring entrepreneurship as a career option?

UNIT II

TWO MARK QUESTIONS:-

1. Define business environment.

Ans:- According to Andrews, "The environment of a company is the pattern of all external influences that affect its life and development".

2. Explain entrepreneurship development.

Ans:- Entrepreneurship development or growth refers to the process of enhancing entrepreneurial skills and knowledge through structured training and instruction-building programs.

Entrepreneurial growth aims to enlarge the base of entrepreneurs in order to hasten the pace at which new ventures are created.

3. State the objectives of entrepreneurial training.

Ans:- The program of training in entrepreneurship development is to develop motivation of potential entrepreneurs, help them in taking up suitable enterprises and activities, enable them to prepare economically viable and technically feasible project reports and enhance their enterprise-building skills.

4. List the characteristics of international business.

Ans:- (i) Proactive and Reactive

(ii) Differs from Domestic Business

(iii) Large-Scale Operations

(iv) Integration of Economics

(v) Dominated by Developed Countries and MNCs

5. Explain exporting.

Ans:- Exporting is the most traditional mode of entering the foreign market. Exporting is that which allows manufacturing operations to be concentrated in a single location, which may lead to scale economies.

6. What is licensing?

Ans:-Under a licensing agreement, an entrepreneur (the licensor) grants rights to intangible property to another company (the licensee) for a specified period; in exchange, the licensee ordinarily pays royalty to the licensor.

7.Differentiate between international versus domestic entrepreneurship.

Ans:- (i)Economics

(ii)Political-Legal Environment

(iii)Cultural Environment

(iv)Technological Environment

(v)Incentives and Barriers of International Business

(vi)Government Controls and Barriers

(vii)Entrepreneurial Culture

8.Define international entrepreneurship.

Ans:-According to Zahra, “International entrepreneurship is the study of the nature and consequences of a firm’s risk-taking behaviour as it ventures into international markets”.

9.What are the driving forces of an entrepreneurs to go international?

Ans:- (i)Growth

(ii)Profitability

(iii)Achieving Economics of Scale

(iv)Access to Imported Inputs

(v)Uniqueness of Product or Service

(vi)Marketing Opportunities Due to Life Cycles

(vii)Spreading R&D Costs

(viii)Risk Spread

10.Define organisational support services.

Ans:- (i)Financial Assistance

(ii) Technical Assistance

(iii) Promotional Activities

(iv) Marketing Assistance

LONG ANSWER TYPE QUESTIONS:-

- Discuss the factors affecting business environment. State the importance of business environment.
- What is the need for entrepreneurship development? Explain the role of family and society in entrepreneurship development.
- Bring out the role and methods of entrepreneurial development training.
- Describe the industrial policies and regulations for entrepreneurship development.
- What is international business? Explain the importance of international business.

UNIT III

TWO MARK QUESTIONS:-

1. What do you mean by idea generation?

Ans:- Every new business, new product or service, and new marketing approach has started with an idea. Generating new ideas can be a very burdensome task. Putting them into practice can be much harder. Business ideas are all around you.

2. How are creativity and innovation related to idea generation?

Ans:- The terms creativity and innovation are often used to mean the same thing, but each has a unique connotation. Creativity is the ability to bring something new into existence. Innovation is the process of doing new things.

3. Define pre-feasibility study.

Ans:- A pre-feasibility study examines “whether the business meets minimum financial requirements, whether or not there is a market for the finished product and whether it is technically feasible”.

4. Write in brief precautions regarding product selection.

Ans:- (i) Production process should not be long and time consuming.

(ii) Product process should be smooth and easygoing.

(iii) Demand of the product should be adequate and continues.

5. What is the nature of business plan?

Ans:- (i) It must suggest as high an overall ‘rating’ as possible of the venture’s product development and team sophistication.

(ii) It must contain believable financial projections, with the key data explained and documented.

6. Describe business ownership.

Ans:- A business started by only one person is called sole proprietorship. The business started by a group of persons can be a partnership firm, cooperatives or Joint Stock Company.

7. Give the importance of capital budgeting.

Ans:- (i) Long-Term Effects

(ii)Risk and Uncertainty

(iii)Large Funds

(iv)Corporate Image

8. Define project profile.

Ans:-A project profile is a simplified description of an eventual project. In addition to defining the purpose and ownership of the project, it presents a first estimate of the activities involved and the total investment that will be required, as well as the annual operating costs and, in the case of income generating projects, the annual income.

9. List the contents of project feasibility report.

Ans:- (i)Objective and scope of the report.

(ii)Product characteristics, i.e., the specifications, uses and applications, standards, quality, etc.

(iii)Market position and trends, i.e., the installed capacity, production and anticipated demand, export prospects and information on import and export, price structure and trends.

10. Describe project evaluation.

Ans:-The process of evaluation in project management is to assess performances, reveal areas where the project deviates from goals, and uncover extant or potential problems so that they can be corrected.

LONG ANSWER TYPE QUESTIONS:-

- Explain the process of idea generation. Also discuss the transformation of ideas into opportunities.
- Describe the steps of pre-feasibility study. Also mention the types of pre-feasibility report.
- Elaborate the components for writing a business plan. Give the essential requirements of developing business plan.
- Write notes on:
 - (i)Sole proprietorship.
 - (ii)Partnership.
- Explain the process and techniques of project evaluation.

UNIT IV

TWO MARK QUESTIONS:-

1. Define resource mobilisation.

Ans:-The word mobilisation means setting into motion or movement, bringing into circulation, etc. Resources, as we know, denote assets. Out of the various types of resources, human resources, material resources, financial resources, etc.

2. Define venture capital?

Ans:-According to 1995 Finance Bill, "Venture capital is defined as long-term equity investment in novel technology based projects with display potential for significant growth and financial return."

3. Define plant layout.

Ans:-It refers to the placements of departments, workgroups within departments, work stations, machines and so on. Layout depends on the process structure employed and the technology used. A good layout ensures better flow of work, materials, persons and information.

4. What is capacity planning?

Ans:-Capacity planning is a strategic decision that establishes a firm's overall level of resources. The decisions are strategic, because they often commit the resources of the organisation for long periods.

5. Explain inventory management.

Ans:-The dictionary meaning of inventory is 'stock of goods, or a list of goods'. The word 'inventory' is understood differently by various authors.

6. Write a brief on market selection.

Ans:-Segmenting the market, selecting or developing a niche within a target market, and establishing a unique position in the target market. An important question that will help in pinpoint the market and determine how to attract customers in that market.

7. Elucidate channel selection.

Ans:-A distribution channel or marketing channel or channel of distribution is defined as the path or route along which goods move from producers or manufacturers to ultimate consumers or industrial users.

8. Explain sole-selling agent/marketer.

Ans:-When a manufacturer prefers to stay out of the marketing and distribution task, he appoints a suitable agency as his sole-selling agent/marketer and entrusts the marketing job with him.

9. Define product launching.

Ans:-Once a product is developed, effectively product launch becomes the critical step to its success. Product placement and commercialisation of a product is more than following a simple checklist.

10. What is Managing growth?

Ans:-Growth is crucial for entrepreneurial success. Growth is one of the factors that distinguish the entrepreneurial venture from a small business venture.

LONG ANSWER TYPE QUESTIONS:-

- Explain the steps in launching of small business.
- Discuss in detail the process of market selection.
- Give the methods and strategies of product launch.
- Define incubation. Discuss the services offered by incubators.
- Write short notes on:
 - (i) Venture capital
 - (ii) Capacity planning

UNIT V

TWO MARK QUESTIONS:-

1. Define small business.

Ans:- When an entrepreneur starts a business it is normally a small business. Starting and running a small business is an exciting prospect because it is an opportunity to be one's own boss.

2. What is meant by organising?

Ans:- It is the process of dividing work into convenient tasks or duties, of grouping such duties in the form of posts, of delegating authority to each so that work is carried out as planned. Organisation contributes to the efficiency of the enterprises.

3. Explain controlling.

Ans:- After the other elements are in place, a manager's job is not finished. He needs to continuously check results against goals and take any corrective actions necessary to make sure that his area's plans remain on track.

4. Define monitoring.

Ans:- Monitoring is a continuing function that uses systematic collection of data on specified indicators to provide management and the main establishment of an ongoing intervention with indicators of the extent of progress and achievement of objectives and progress in the use of allocated funds.

5. List the objective of monitoring and evaluation.

Ans:- (i) Evaluation Types by Stages during the Project Cycle

(ii) Evaluation Types by Subjects

6. What are the symptoms for sickness?

Ans:- A sick unit is that unit which fails to generate an internal surplus on a continuous basis and depends for its survival upon frequent infusion of external funds.

7. Enumerate the signals of incipient sickness.

Ans:- (i) Continuous decline in gross output compared to the previous two financial years.

(ii) Delay by more than 12 months in repayment of loan taken from institutional sources.

(iii) Erosion in the net worth to the extent of 50 per cent of the net worth during the previous year.

8.State the need for rehabilitation program.

Ans:-A project that had one sick would have already swallowed huge scarce resources. In order to utilize the assets and infrastructure already created for the project, the project is to be revived from sickness.

9.What is technical appraisal?

Ans:-Study the manufacturing process used by the unit. Ascertain if any new process has since been developed.

10.What do you mean by commercial appraisal?

Ans:-Commercial failure of a project will be mainly due to problems relating to the product itself viz., defects/imperfections in product design which may lead to consumer resistance.

LONG ANSWER TYPE QUESTIONS:-

- State the characteristics of small business. Explain the dynamic role of small business in economic development.
- Write a detailed note o monitoring and evaluation of small business along with its methods and tools.
- Discuss the causes and process of sickness in small n