Unit – 1

Introduction to Entrepreneurship

Q.1 Multiple Choice Questions:-

1. Entrepreneurial behaviours includes:
   (a) Solving problems
   (b) Taking initiatives
   (c) Taking responsibility
   (d) **All of above**

2. Entrepreneurs attributes includes:
   (a) Preservence
   (b) Hard working
   (c) Determination
   (d) **All of above**

3. Entrepreneurs skills includes:
   (a) Creative problem solving
   (b) Persuading
   (c) Negotiation
   (d) **All of above**

4. The term “entrepreneurs” was applied to business initially by the French economist in the 18th century:
   (a) **Cantillon**
   (b) Jan Tinbergen
   (c) J.S.Mill
   (d) None of above

5. Which business function do experts agree, you should focus on first when preparing to start a business.
   (a) Financing
   (b) **Marketing vision**
6. Which of the following is not something that can be invested:
   (a) Energy
   (b) Experties
   (c) Money
   (d) Time

7. From the following which one is factor affecting entrepreneurial growth:
   (a) Social
   (b) Economic
   (c) Psychological
   (d) All of above

8. What is the need of entrepreneurship:
   (a) For new innovation
   (b) To fill gap in growth
   (c) For healthy competition
   (d) All of above

9. Which one of the following is the process of entrepreneur developing new products that over time make current products obsolete?
   (a) New business model
   (b) Anatomization
   (c) Creative Destruction
   (d) None of above

10. The level at which an individual is viewed by society is called:
    (a) Financial status
    (b) Qualification
    (c) Social Status
    (d) Achievement

Q. 2 Do as directed:
1. An entrepreneur must Self Confident: A strong believer in his strengths and weakness:
2. Social/Economic/Educational/Geographical environment in a country exercises a significant impact on the emergence of entrepreneurship.
3. The entrepreneur was distinguished from capital provider in 18th Century.
4. Innovations shows the process of creating something new.
5. “What the entrepreneur hopes to accomplish” – includes in the Mission Statement.
6. The levels at which an individual is viewed by society is called Social Status.
7. Distribution Channels gives suggestions for new product and also help to market new product.
8. An Entrepreneur must should Innovative, Hard Working, very alert for new opportunities etc.
9. Entrepreneurship is the life blood of any economy.
10. Individuals influencing an entrepreneur’s career choice and style are known as Role model.

Q.3 Answer in one or two lines:-

Short Questions

1. Write meaning of Entrepreneur.
   Answer: A person with vision and action plan to achieve it is an entrepreneur.
2. Write characteristics of entrepreneur.
   Answer: Vision, Knowledge, Desire to succeed, Independence, Value addition, Initiative, Optimism.
3. Write types of entrepreneur according to ownership.
   Answer: Public entrepreneurship, Private entrepreneurship
4. Write types of entrepreneur according to scale of enterprise.
   Answer: Large scale entrepreneur, Small scale entrepreneur.
5. Write any four Primary Functions of entrepreneurship.
   Answer: Planning, Organizing, Decision making, Managing, Innovating, Risk bearing
6. Write any four secondary functions of entrepreneurship.
   Answer: Diversification of production, Expansion of the enterprise, Tackling labour problem, Co-ordinating and communicating with third parties.
7. Write any four barriers to entrepreneurship.
   Answer: Environmental barriers, Financial barrier, Personal barrier, Societal barrier, Political barrier
8. Write any two importance of entrepreneurship.
   Answer: Development of managerial capabilities, Job creation, Innovation, Improving standard of living.
9. Write any four factors affecting to entrepreneurship.
   Answer: Personality factors, Environmental factors, Political, Social-economic factors, Economic factor.
10. Explain any one difference between entrepreneur and intrapreneur.
    Answer: Entrepreneur him-self raises funds and Intrapreneur does not raise funds. Entrepreneur is independent in his operations and Intrapreneur is dependent on entrepreneur.
Unit – 2

Traits of an Entrepreneur

Q.1 Multiple choice questions:-

1. From the following which one is not classification of entrepreneurs according to the types of business:
   (a) Wholesale trade
   (b) Retail trade
   (c) Exporter
   (d) Rural entrepreneur

2. From the following which one is the classification of entrepreneurs according to gender and age.
   (a) Men entrepreneurs
   (b) Women entrepreneurs
   (c) Young entrepreneurs
   (d) All of above

3. Basic problems of women entrepreneurs in India:
   (a) Lack of education skill
   (b) Male dominating society
   (c) Absence of listen bearing capacity
   (d) All of the above

4. From the following, types of entrepreneur are:
   (a) Innovating entrepreneur
   (b) Initiative entrepreneur
   (c) Drone entrepreneur
   (d) All of above

5. Which one is not the barriers of Entrepreneurship:
   (a) Lack of technical skills
   (b) Political instability
   (c) Technical knowledge
   (d) Time pressure and distractions

6. The key factor influencing the mobility of entrepreneurs are:
   (a) Resources
(b) Experience and Education
(c) Language and culture
(d) All of above

7. It’s an institution to set up a network of technical consultancy organizations in the country.
   (a) TCO
   (b) ITC
   (c) EGB
   (d) None of above

8. An Entrepreneurs refers to:
   (a) Initiator
   (b) Motivator
   (c) Visualizer
   (d) All of above

9. Which of the following factors influence entrepreneurship:
   (a) Technical Knowledge
   (b) Entrepreneurial training
   (c) Local manpower
   (d) All of above

10. From the following which ones is the quality of Entrepreneur:
    (a) Initiator
    (b) Information Seeker
    (c) Motivator
    (d) All of above

Q.2 Do as directed:

1. **Persistant** follows the saying “try & try again you will succeed at last”
2. **Efficiency lover** tries to do things at a faster pace incurring the minimum cost.
3. **Intrapreneurship** is the process by which other new ventures are born within the confines of an existing corporation:
4. An entrepreneur bears **Full Risk** of the business
5. An intrapreneurs are **Semi dependent** on the owners/Partners of the corporation.
6. An entrepreneurs can operate the business from **Outside** also.
7. An **Intrapreneur** neither raises the capital nor guarantees any returns to the supplies of capital.
8. An entrepreneurs who personally surprises the work to ensure that the work is accomplished according to the standard set forth is: **Efficient Monitoring**.

9. **Locational** mobility of entrepreneurs represents the drive and initiative to move to other places in search of better opportunities.

10. Heavily involved in family problems is one of the problem of **Women Entrepreneur**.

**Q.3 Answer in one or two lines:**

1. What is Intrapreneurship.
   Ans. Intrapreneurship is the process by which other new ventures are born within the confines of an existing corporation. It involves expansion by exploring new opportunity through new combination of existing resources.

2. What is Locational Mobility of Entrepreneurs.
   Ans. Locational or geographical mobility of entrepreneurs represents the drive and initiative to move to other places in search of better opportunities. For ex. Marvaris and sindhis in our country have moved to almost every corner of India to carry out business activities. Such a spirit helps to reduce regional imbalances in economic growth.

3. What are the types of Entrepreneurs.

4. Point out the barriers of entrepreneurship.
   Ans. Lack of technical skills, Lack of market knowledge, Lack of seed capital, Lack of business knowledge, Social stigma, Time pressure and distractions, Legal and bureaucratic constraints, Political instability etc.

5. Write any one difference between Entrepreneurship and Intrapreneurship.
   Ans. An entrepreneur is an independent businessman whereas an intrapreneur is semi-dependent on the promoter/owners of the corporation.

6. Point out qualities of successful Entrepreneurs.
   Ans. Initiation, Persistence, Information seeker, Quality conscious, Efficiency lover, Self confidence, Assertiveness, Persuasion, Commitment to work etc.

7. Write any two/three problems of women entrepreneurs.
   Ans. Lack of need achievement- economic independence and autonomy, Absence of risk bearing capacity, Lack of education skills, Male dominating society, Lack of business information and experience, Heavily involved in family problems etc.
8. Write any two characteristics of Entrepreneurship.
   Ans. 1. Creative Activity: Entrepreneurship is a creative response to changes in the environment. 2. Purposeful activity: The entrepreneur who creates and operates an enterprise seeks to earn profits through satisfaction of needs of customers. 3. Risk bearing: Risk is an inherent and inseparable element of entrepreneurship.

9. Point out key factors influencing the mobility of entrepreneurs.

10. Write a note on efficient monitoring.
    Ans. Efficient monitoring means personally supervision of the work to ensure that the work is accomplished according to the standards set forth.

Unit – 3

Small Scale Industries – An overview

Q.1 Multiple Choice Questions:

1. Small scale industries (SSIs) also known as MSMEs are defined & categorized by the Micro, Small & Medium Enterprises Development Act
   (a) 2006  (b) 2007  (c) 2008  (d) 2009

2. Who is the present Minister of Micro, Small and Medium Enterprises?
   (a) Karan Singh  (b) Giriraj Singh
   (c) Virbhadra Singh  (d) Abhishek Singh

3. Name the institution which was set up in 1982 to promote integrated rural development
   (a) NSIC  (b) NABARD  (c) SIDBI  (d) NCEUS

4. Name the institution which is set up as an apex bank to provide direct or indirect financial assistance under different scheme.
   (a) SIDBI  (b) NSIC  (c) RSBDC  (d) None of the above

5. Investment in equipments service sector in Micro scale industry should be
   (a) Up to 10 Lacs  (b) 10Lacs – 2 Crores
6. Investment in equipments service sector in small scale industry should be
   (a) Up to 10 Lacs (b) **10Lacs – 2 Crores**
   (c) 2 Crores – 5 Crores (d) None of the above

7. Investment in equipments service sector in Medium scale industry should be
   (a) Up to 10 Lacs (b) **10Lacs – 2 Crores**
   (c) **2 Crores – 5 Crores** (d) None of the above

8. Investment in plant and machinery/ equipment (excluding land and building). w.r.t. 
   Manufacturing sector in Micro industry should be
   (a) Up to 25 Lacs (b) **25Lacs – 5 Crores**
   (c) 5 Crores – 10 Crores (d) None of the above

   Manufacturing sector in Small industry should be
   (a) Up to 25 Lacs (b) **25Lacs – 5 Crores**
   (c) 5 Crores – 10 Crores (d) None of the above

10. Investment in plant and machinery/ equipment (excluding land and building). w.r.t. 
    Manufacturing sector in Medium industry should be
    (a) Up to 25 Lacs (b) **25Lacs – 5 Crores**
    (c) 5 Crores – 10 Crores (d) None of the above

Q-2 Do as directed.

1. **95**% is the share of Small scale industries, in total number of industrial units in the 
   country.

2. **India** is the largest manufactures of jute in the world.

3. Indian Institute of Entrepreneurship (IIE) is located at **Guwahati**.

4. The full form of SFURTI = **Scheme of Fund for Regeneration of Traditional 
   Industries**

5. **Hindustan Machine Tools** is the most important company in machine tools in India. 
   (True / False)
6. The full form of NABARD = **National Bank for Agricultural and Rural Development**

7. For Drugs and pharmaceuticals industries, licensing compulsory. (**True**/ **False**)

8. Small scale industries can provide more jobs at local level. (**True**/ **False**)

9. Export Oriented Unit (EOU) is an example of Traditional Industry. (**True**/ **False**)

10. Cottage industry is an example of Traditional Industry. (**True**/ **False**)

Q-3 Answer the following in one or two lines.

(1) **What is the meaning of Tiny Enterprise?**
   A. The industrial undertaking having fixed investment in plant and machinery not exceeding Rs. 25 lakhs engaged in manufacturing or rendering services.

(2) **What is the meaning of Ancillary Industries?**
   A. The industrial undertaking having fixed investment in plant and machinery not exceeding Rs. 1 crore engaged in manufacturing or rendering services.

(3) **Explain the main sectors of small scale industries.**
   A. (1) Traditional sector (2) Modern Sector

(4) **Give any three examples of Traditional small scale industries.**
   A. (1) Khadi Industry (2) Handloom (3) Artisans

(5) **Give any three examples of Modern small scale industries.**
   A. (1) Tiny Industry (2) Power loom (3) Ancillaries

(6) **Give any three importance of small scale of industries.**
   A. (1) Partner in nation building (2) Customize products (3) Employment to local people

(7) **What is the meaning of Sick Industries?**
   A. As per the RBI – “A small scale industrial unit should be considered as sick if it has at the end of any accounting year, accumulated losses equal to or exceeding 50% of its Net Worth during two previous accounting years”.

(8) **Give any two symptoms of industrial sickness.**
   A. (1) Continuous shortage of cash
(2) Continuous fall in the price of the shares

(9) Give any two causes of industrial sickness.

A. (1) Changes in the industrial policies of Government
(2) Lack of adequate demand for the product

(10) Give any two remedies of industrial sickness.

A. (1) Technical and Professional counseling
(2) Financial support from Bankers

Unit – 4

Small Scale Business

Q-1 Multiple choice questions

1. A__________ is a specialized firm that finances young, start up companies
   a) Venture capital firm
   b) Finance company
   c) Small business finance co.
   d) Capital creation co.

2. Venture capital firms are usually organized as
   a) Corporation
   b) Non-profit organisation
   c) Closed-end mutual funds
   d) Limited partnership

3. Which of the following is a characteristics of Venture capital firms
   a) Developing portfolio of companies
   b) Allowing firm to use the funds as they see fit
   c) Having a short term investment horizon
   d) Holding Debts in the firm that are funded

4. The source of venture capital funding has
   a) shifted from wealthy individuals to pension funds and corporations.
   b) shifted from pension funds and corporations to wealthy individuals.
   c) decreased since 1990.
   d) none of the above.

5. Which of the following is not a characteristic feature of venture capital firms?
   a) Funding just one or a small number of firms.
b) Holding equity in the firms that are funded.
c) Having a long-term investment horizon.
d) Providing advice and assistance to the firms that are funded.

6. The largest industry group receiving venture capital funding is
   a) computer software.
b) medical/health.
c) computer hardware.
d) none of the above.

7. Name the institution which is set up as an apex bank to provide direct/indirect financial assistance under different schemes and also coordinates the functions of other institutions in similar activities
   a) SIDBI
   b) NSIC
   c) RSBDC
   d) None

8. If the investment in fixed assets or plant and machinery does not exceed one crore rupees, then that particular firm comes under the category of
   a) Tiny industry
   b) Small scale industry
   c) Village industry
   d) Cottage industry

9. Name the institution which was set up in 1982 to promote integrated rural development.
   a) NSIC
   b) NABARD
   c) SIDBI
   d) NCEUS

10. Finance companies
   a) are money market intermediaries.
b) borrow in large amounts, but lend in small amounts.
c) are virtually unregulated.
d) all of the above.

Q- 2 Do as Directed

1. Venture capital firms reduce risk by investing in only a few companies which can be carefully monitored and nurtured.
   Answer: FALSE

2. Investors in venture capital firms expect to profit quickly from their investment.
   Answer: FALSE
3. Finance companies charge higher interest rates than do commercial banks.
   Answer: TRUE

4. Interest-rate risk is a more serious problem for finance companies than for banks.
   Answer: FALSE

5. Finance companies gained a reputation for being more innovative than banks at finding ways to finance small businesses.
   Answer: TRUE

6. Finance companies offered loans secured by accounts receivable before commercial banks did.
   Answer: TRUE

7. Because finance companies are virtually unregulated, they charge lower interest rates than do commercial banks.
   Answer: FALSE

8. Venture capital is concerned with new project having potential for higher profit.
   Answer: TRUE

9. A women entrepreneur is supposed to have a minimum financial interest of 25% in share capital of entrepreneur’s enterprise.
   Answer: FALSE

10. Lack of confidence is one of the barrier faced by women entrepreneur.
    Answer: TRUE

11. SIDBI provide services like factoring, leasing etc. to small units.
    Answer: TRUE

Q- 3 Answer in one or two lines

1. Define Women entrepreneur.
   Answer: Women entrepreneur is defined as an enterprise owned and controlled by woman having a minimum financial interest of 51% of capital and giving at least 51% employment generation to women.

2. Give Examples of Industries promoted by Women Entrepreneurs.
   Answer: Agarbatti making, Papad making, Embroidery, Handicrafts, Catering services Beauty parlors etc.

3. Explain any two barriers faced by Women Entrepreneurs.
   Answer: Lack of management skill, Lack of confidence, Low risk bearing ability, Male dominated society.

4. Give any two reasons for growth of Women Entrepreneurship.
   Answer: Growth of Literacy level, Industrial and economic growth, Awareness of democratic values. Organizations promoting women entrepreneurship.
5. Give any two examples of Organizations promoting women entrepreneurship in India.  
   **Answer:** Women’s India Trust, Women Development Corporation, Working Women Forum, Self-Employed Women’s Association.

6. Write full form of SIDBI.  
   **Answer:** Small Industries Development Bank of India.

7. Write any two objectives of SIDBI.  
   **Answer:** Technological Up-gradation, Market expansion, Co-ordination of activities.

8. Write any two functions of SIDBI.  
   **Answer:** Refinance, Discounting Bills, Refinance for exports, Factoring services, Assistance to NSIC.

9. Write three types of finance companies.  
   **Answer:** Business, Sales, and Consumer.

10. Explain factoring services provided in Finance company.  
    **Answer:** Business finance companies provide specialized forms of credit to businesses by making loans and purchasing accounts receivable at a discount; this provision of credit is called factoring.