

**UNIT-IX  
CHAPTER  
25**

# GOVERNMENT SCHEMES FOR ENTREPRENEURIAL DEVELOPMENT

## INTRODUCTION

Government of India operates many schemes for the benefit of the existing and prospective entrepreneurs. These schemes help the existing entrepreneurs to upgrade their technology, to develop their place in the market, to acquire the international quality standards, to adopt energy saving measures, to enter into export market etc. The various schemes introduced by government aims to increase the competitiveness of various institutions by adopting the measures. Not only financial assistance, Government also assist the entrepreneurs by giving innovative ideas and new opportunities in nurturing their business. India always has an immense potential to innovate, raise entrepreneurs and create jobs for the benefit of the nation and the world.

### I. CHOOSE THE CORRECT ANSWERS

- The \_\_\_\_\_ initiative was launched to modernize the Indian economy to make all governments services available electronically.  
a) Standup India                      b) Startup India  
c) Digital India                        d) Make in India
- \_\_\_\_\_ is designed to transform India to a global design and manufacturing hub.  
a) Digital India                        b) Make in India  
c) Startup India                        d) Design India
- \_\_\_\_\_ is the Government of India's endeavour to promote culture of innovation and entrepreneurship.  
a) AIM                                      b) STEP  
c) SEED                                    d) AIC
- \_\_\_\_\_ should cover aspects like sources of finance, technical know-how, source of labour and raw material, market potential and profitability.  
a) Technical Report                      b) Finance Report  
c) Project Report                        d) Progress Report
- \_\_\_\_\_ has to include the mechanism for managing venture in the project report.  
a) Banker                                      b) Government  
c) Lending Institutions                      d) Entrepreneur

### ANSWERS

1	c)	2	b)	3	a)	4	c)	5	d)
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### II. VERY SHORT ANSWER QUESTIONS

- Name any four Governmental Entrepreneurial schemes?  
❖ Startup India  
❖ Make in India  
❖ Support to Training and Employment Programme for Women (STEP)  
❖ Trade related Entrepreneurship Assistance and Development (TREAD)
- Give a note on 'Digital India'.  
❖ The Digital India Initiative has been launched to modernize the Indian economy to make all government services available electronically.  
❖ The initiative aims at transforming India into a digitally- empowered society and knowledge economy with universal access to goods and services.
- State any three entrepreneurial development schemes of Government of Tamil Nadu?  
❖ New Entrepreneur Enterprise Development Schemes (NEEDS) Scheme  
❖ Interest Subsidy Scheme (Interest Subvention Scheme)  
❖ Tamil Nadu Industrial Investment Corporation Ltd Schemes (TIIC)

**4. List down the two types of finance?**

- ❖ Debt Finance
- ❖ Equity Finance

**5. Mention the time period of provision Registration Certificate?**

- ❖ The provision Registration Certificate will be issued to entrepreneur after the fulfillment of certain conditions for period of one year subject to renewal of two periods of six months duration.
- ❖ If an entrepreneur is not able to commence production beyond the extension period, further extension will not be granted.

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**III. SHORT ANSWER QUESTIONS**


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**1. What is 'Startup India'?**

- ❖ Startup India is an initiative of the Government of India.
- ❖ The campaign was first announced by Indian Prime Minister, Mr.Narendra Modi.
- ❖ Through the Startup India initiative Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups throughout their life cycle.
- ❖ Since its launch in January 2016, the initiative has successfully given a head start to numerous aspiring entrepreneurs.
- ❖ A 'Fund of Funds' has been created to help startups gain access to funding.

**2. Expand the following: STEP, JAM, TREAD, M-SIPS, SEED and New Gen IEDC?**

- ❖ **STEP** - Support to Training and Employment Programme for Women
- ❖ **JAM** – Jan Dhan-Aadhaar - Mobile
- ❖ **TREAD** – Tread related Entrepreneurship Assistance and Development
- ❖ **M-SIPS** - Modified Special Incentive Package Scheme
- ❖ **SEED** - Science for Equity Empowerment and Development
- ❖ **New Gen IEDC** – New Gen Innovation and Entrepreneurship Development Centre

**3. Write a short note on the following Dairy Entrepreneurship development scheme:**

- ❖ Dairy Entrepreneurship Development Scheme aims at helping entrepreneurs in the field of

Agriculture, pets and animals, and social impact to set up small dairy farms.

- ❖ It helps to provide incentives are provided to cover the cost of the required equipment or establishment of the facility.

**Project Report:**

- ❖ Project reports needs to be prepared according to the format prescribed in the loan application form of term lending institutions.
- ❖ An entrepreneur can get the report prepared either by technical consultancy organization or by auditors or by consultants or by development agencies.
- ❖ This report should cover aspects like sources of finance, technical know-how, sources of labour and raw materials, market potential and profitability.
- ❖ The project report should include the following:
  - Technical Feasibility
  - Economic Viability
  - Financial Viability
  - Managerial Competency
  - Provisional Registration Certificate
  - Permanent Registration Certificate
  - Statutory License
  - Power Connection
  - Arrangement of Finance

**4. What is the procedure for getting power connection for an Entrepreneurial Venture?**

Entrepreneur has to make application to Assistant Divisional Engineer of State Electricity Board for Power connection after paying Security Deposit and fulfilling the official formalities prescribed.

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**IV. LONG ANSWER QUESTIONS:**


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**1. Explain any five Government Entrepreneurial Schemes?****1. Support to Training and Employment Programme for Women (STEP):**

- STEP was launched by the Government of India's Ministry of women and child Development to train women who have access to formal skill training facilities, especially in rural India.
- The Ministry of Skill Development & Entrepreneurship and NITI (National

Institution for Transforming India formally it is called as planning commission) Aayog recently redrafted the Guidelines of the 30- year-old initiative to adopt to present –day needs.

- The programme imparts skills in several sectors such as agriculture, horticulture, food processing, handlooms, traditional crafts like embroidery, travel and tourism, hospitality, computer and IT services.

#### **Jan Dhan- Aadhaar- Mobile (JAM):**

- JAM, for the first time, is a technological intervention that enables direct transfer of subsidies to intended beneficiaries and, therefore, eliminates all intermediaries and leakages in the system, which has a potential impact on the lives of millions of Indian citizens.

#### **Trade related Entrepreneurship Assistance and Development (TREAD):**

- This schemes envisages to address the critical issues of access to credit among India's underprivileged women, the TREAD programme enables credit availability to interested women through non-governmental organizations (NGOs).
- As such, women can receive support of registered NGOs in both accessing loan facilities and receiving counseling and training opportunities to kick-start proposed enterprises, in order to provide pathways for women to take up non-farm activities.

#### **Modified Special Incentive Package Scheme (M-SIPS):**

- The M-SIPS scheme provides capital subsidy of 20% in SEZ and 25% subsidy in non-SEZ for business units engaged in manufacturing of electronics in the fields of the Internet of Things, aeronautics/aerospace and defence, automotive, renewable energy, non- renewable energy, technology, green technology and nanotechnology.

#### **Science for equity Empowerment and Development (SEED):**

- SEED aims to provide opportunities to motivated scientists and field level workers

to undertake action-oriented, location specific projects for socio-economic gain, particularly in rural areas.

- SEED emphasizes equity in development, so that the benefits of technology accrue to a vast section of the population, particularly the disadvantaged.
- New Gen Innovation and Entrepreneurship Development centre (New Gen IEDC):
- New Gen IEDC provides a limited one-time, non-recurring financial assistance to entrepreneurs up to Rs 25 Lakhs.
- In the fields of chemicals, technology hardware, healthcare and life sciences, aeronautics/ aerospace & defence, agriculture, AI (artificial intelligence), AR/VR (augmented+ virtual reality), automotive, telecommunication and networking, computer vision, construction, design, non- renewable energy, renewable energy, green technology, fin-tech, internet of things, nanotechnology, social impact, food and beverages, pets and animals, textiles and apparel

## **2. Describe the steps promoting Entrepreneurial venture?**

### **Selection of the product:**

- An entrepreneur may select a product according to his aspiration, capacity and motivation after a through scrutiny of micro and macro environment of business.
- He/she may select a brand, new product or may like to select imitation one or he/she may improve upon an existing product in terms of additional features like comforts, convenience, ease of operation, lower price etc.
- An entrepreneur has to conduct economic viability of the project.

### **Selection of form of ownership:**

- Entrepreneur has to choose the form of organization suitable and appropriate for his venture namely family ownership, partnership and private limited company.
- Family ownership and partnership forms of organization are suited for exercising unified control over the venture while the company form of organization may be referred for

pooling of more financial resources, managerial and technical skills and business experience for carrying on medium to large venture.

#### **Selection of Site:**

- Entrepreneur has to choose suitable plot for accommodating his venture.
- He has four options open to him for housing his venture.
- These have been mentioned below.
  - ❖ State Development Corporation like SIDCO, SIPCOT, MMDA, TNHB and Directorate of Industries may allot plot to entrepreneur.
  - ❖ Entrepreneur can have a factory sheds constructed by State Industrial Development Agency.
  - ❖ Entrepreneur can start ventures in the land developed by private developers.
  - ❖ Entrepreneur may buy private land and develop it for industrial use.
- Following things may be considered in choosing the site namely:
  - ❖ Nearness to Native Place
  - ❖ Incentives provided by the Govt.
  - ❖ Nearness to Market.
  - ❖ Availability of Labour and Raw Materials in a particular area.
  - ❖ Infrastructure Facilities

#### **Designing Capital Structure:**

- Entrepreneur has to determine the source of finance for funding the venture.
- He/she may mobilize funds from his own savings, loans from friends and relatives, term loans from banks and financial institutions.

#### **Acquisition of Manufacturing Know-how:**

- Entrepreneur can acquire manufacturing know-how from Government research laboratories, research and development divisions of industries, and individual consultants.
- At times, main units may supply manufacturing know-how to entrepreneurs starting ancillary units or plant and machinery suppliers may provide this facility to entrepreneurs.
- Besides, manufacturing know-how can be obtained by foreign technical collaboration.

#### **Preparation of Project Report:**

- Project reports needs to be prepared according to the format prescribed in the loan application form of term lending institutions.
- An entrepreneur can get the report prepared either by technical consultancy organization or by auditors or by consultants or by development agencies.
- This report should cover aspects like sources of finance, technical know-how, sources of labour and raw materials, market potential and profitability.
- The Project Report should include the following:
  - ❖ Technical Feasibility
  - ❖ Economic Viability
  - ❖ Managerial Competency
  - ❖ Provisional Registration certificate
  - ❖ Permanent Registration Certificate
  - ❖ Statutory Licence
  - ❖ Power Connection
  - ❖ Arrangement of Finance

### **3. Discuss the preparation of a project report?**

#### **Preparation of Project Report:**

- Project reports needs to be prepared according to the format prescribed in the loan application form of term lending institutions.
- An entrepreneur can get the report prepared either by technical consultancy organization or by auditors or by consultants or by development agencies.
- This report should cover aspects like sources of finance, technical know-how, sources of labour and raw materials, market potential and profitability.
- The project report should include the following:

#### **Technical Feasibility:**

- It should mention the following
  - ❖ Description of product specification
  - ❖ Raw materials availability
  - ❖ Manufacturing process
  - ❖ Quality control measures
  - ❖ Availability of water, power, transport and communication facilities.

**Economic Viability:**

- It essentially involves compilation of demand for domestic and export market, installed capacity of machines, market share, revenue expected, and suitable price structure.
  - ❖ Non-recurring cost such as Land and Building, Plant and Machinery etc.
  - ❖ Recurring expenses like wages, salaries, and overheads etc.
  - ❖ Probable cost of production
  - ❖ Profit on expected sales

**Managerial Competency:**

- Entrepreneur has to include the mechanism for managing the venture in the project report.
- In case of small sized ventures, the owner or partners may take care of managerial personnel is to be brought in for manning various managerial positions across different levels of management in the case of corporate form of organization.
- He has to provide details of the organizational structure contemplated in the project report for implementing the venture.

**Provisional Registration Certificate:**

- Entrepreneur has to apply for Provisional Registration Certificate.
- It will be issued to entrepreneur after the fulfillment of certain conditions for a period of one year subject to renewal of two periods of six months duration.
- If an entrepreneur is not able to commence production beyond the extension will not be granted.

**Permanent Registration Certificate:**

- Once the venture has commenced production or when it is ready to commence production, it is eligible to get permanent registration certificate.

**Statutory Licence:**

- Entrepreneur has to obtain Municipal License from the authority concerned.
- Then the Entrepreneur has to register the unit with the Central and Sales Tax Department.

- If a unit comes within the provisions of Factories Act, he/she has to register it with inspector of Factories or it has to register the unit under the Shops and Establishment Act.

**Power Connection:**

- Entrepreneur has to make application to Assistant Divisional Engineer of State Electricity Board for power connection after paying Security Deposit and fulfilling the official formalities prescribed.

**Arrangement of Finance:**

- Entrepreneur requires two types of finance namely long term and short term.
- While long term requirements are needed for acquiring fixed assets, short-term requirement are meant for meeting working capital needs.
- Entrepreneur has to bring in promoters contribution (seed capital) prescribed by financing agencies.

**ADDITIONAL QUESTIONS:**

**I. CHOOSE THE CORRECT ANSWERS:**

1. Which of the following schemes has an impact on women empowerment?
 

a) ICDS	b) ASIDE
c) Swadhar	d) Ujjawala
2. Select the correct answer using the codes given below:
 

a) 1,2, and 3 only	b) 1,3 and 4 only
c) 2,3 and 4 only	d) 1,2,3,4
3. Under the Sukanya Samriddhi Yojana, the government has cut the minimum annual deposit requirement for accounts to \_\_\_\_\_ from Rs.1,000 earlier.
 

a) Rs.500	b) Rs.350
c) Rs.250	d) Rs.750
4. Which of the following is not a pillar of recently launched "Women Entrepreneurship Platform"(WEP) by NITI Aayog?
 

a) Ichha Shakti	b) Gyan Shakti
c) Karma Shakti	d) Vichar Shakti

**4. 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 the above

**5. Which of the following institution helps to set up a network of technical consultancy organizations in the country.**

- a) TCO      b) ITC  
c) EGB      d) None of the above

**6. Name the institution which was set up in 1982 to promote integrated rural development?**

- a) NSIC      b) NABARD  
c) SIDBI      d) None of the above

**7. The largest industry group which is receiving venture capital funding is \_\_\_\_\_.**

- a) Computer Software      b) Medical industry  
c) Computer Hardware      d) None of the above

**8. Finance companies comprises of \_\_\_\_\_.**

- a) Money market intermediaries  
b) Borrow in large amount, but lend in small amounts  
c) virtually unregulated  
d) All of the above

**9. Schumpeter considered that innovative entrepreneurs would \_\_\_\_\_.**

- a) Thrive  
b) Disappear  
c) Be absorbed within large innovative firms  
d) Be absorbed within non-innovative firms

**10. Under which of the following scheme the tenders are issued at free of cost?**

- a) M-SIPS      b) New Gen IEDC  
c) SPRS      d) AIC

**11. Statement (A): Start up India is an initiative of the Government of India**

**Statement (R) : The campaign was first announced by Indian Prime Minister, M. Narendra Modi**

- (A) Both (A) and (R) are true.  
(B) (A) is true, but (R) is false.  
(C) (A) is false, but (R) is true.  
(D) Both (A) and (R) are false.

**12. Assertion (A): A Project report should include Provisional Registration Certificate and Permanent Registration Certificate.**

**Reason (R): Projects needs to be prepared according to the format prescribed in the loan application form .**

**Codes:**

- (A) Both (A) and (R) are correct and (R) is correct explanation of (A).  
(B) Both (A) and (R) are correct, but (R) is not a correct explanation of (A).  
(C) (A) is correct, but (R) is incorrect.  
(D) (A) is incorrect, but (R) is correct.

**13. Assertion (A) : Entrepreneur has to decide the source of finance for funding the venture.**

**Reason(R): A company that is heavily financed by debt has a more aggressive capital structure.**

**Codes:**

- (A) Both (A) and (R) are correct and (R) is correct explanation of (A).  
(B) Both (A) and (R) are correct, but (R) is not a correct explanation of (A).  
(C) (A) is correct, but (R) is incorrect.  
(D) (A) is incorrect, but (R) is correct.

**14. Statement I: Single Point Registration scheme is for Micro and Small enterprises. Statement II: Under SPR tenders are issued at free of cost.**



**Codes:**

- (A) Both (I) and (II) are true.  
 (B) (I) is true, but (II) is false.  
 (C) (I) is false, but (II) is true.  
 (D) Both (I) and (II) are false.

**15. Statement I : Technology Hardware, Green Technology and Nano Technology are comes under SEED.**

**Statement II: SEEDS aims to provide opportunities to motivated scientists and field level workers.**

**Codes:**

- (A) Both (I) and (II) are correct and (II) is correct explanation of (I).  
 (B) Both (I) and (R) are correct, but (II) is not a correct explanation of (I).  
 (C) (I) is correct, but (II) is incorrect.  
 (D) (I) is incorrect, but (II) is correct.

ANSWERS									
1.	b	2.	c	3.	d	4.	c	5.	a
6.	b	7.	d	8.	d	9.	c	10.	c
11.	a	12.	a	13.	a	14.	a	15.	a

**II. VERY SHORT ANSWER QUESTIONS:**

**1. Write a note on Single Point Registration Scheme.**

- ❖ It is a scheme for Micro and Small enterprises.
- ❖ It provides an exemption from payment of Earnest Money Deposit(EMD)
- ❖ Under this scheme, the tenders are issued free of cost.

**2. Write about PMKVY.**

- ❖ A flagship initiative of the Ministry of Skill Development and Entrepreneurship (MSDE).
- ❖ This is a skill Certification initiative which aims to train youth in industry-relevant skills to enhance employment opportunities for livelihood creation and employability.

**III. SHORT ANSWER QUESTIONS:**

**1. Write a note on Stand-Up India.**

- ❖ It was launched in 2015
- ❖ It seeks to leverage institutional credit for the benefit of India's underprivileged.
- ❖ It aims at enabling economic participation of women entrepreneurs, Scheduled Castes and Scheduled Tribes and share the benefit of Indian growth with the above mentioned categories.
- ❖ One individual women is granted loans between Rs.10 lakhs to Rs.1 crore to set up Greenfield enterprises in manufacturing, services or ther trading sector.