

**UNIT-IX  
CHAPTER  
24**

# TYPES OF ENTREPRENEURS

## INTRODUCTION

Starting a business is a tough process. Majority of the people think that it has just one meaning. There are different types of entrepreneurship and different types of entrepreneurs. Though the word entrepreneur is a general term, they are called by different names depending upon the functions they perform, business they engaged in, technology they adopt and the area they start the venture. This chapter clearly deals with the types of entrepreneurs and their scope.

### I. CHOOSE THE CORRECT ANSWERS

- Choose the type of entrepreneur that isn't based on function:**
  - Innovation
  - Classical
  - Fabian
  - Drone
- Choose the type of Entrepreneur that is not based on Motivation:**
  - Pure
  - Corporate
  - Spontaneous
  - Induced
- Which of the following is the Activity of a Business Entrepreneur?**
  - Production
  - Marketing
  - Operation
  - All of the above
- Find the odd one out in context of Trading Entrepreneur.**
  - Selling
  - Commission
  - Buying
  - Manufacturing
- Corporate Entrepreneur is also called as \_\_\_\_\_**
  - Intrapreneur
  - Promoter
  - Manager
  - Shareholder
- Poultry, Flowers, Fruits etc are called allied products of \_\_\_\_\_ entrepreneur.**
  - Corporate
  - Retail
  - Trading
  - Agricultural
- \_\_\_\_\_ Entrepreneur Supply Services Unlike.**
  - Hoteliers
  - Banking
  - Airlines
  - Livestock

### 8. Motive of a pure Entrepreneur is

- Rendering service
- Earning profit
- Attaining Status
- Both b & c

### 9. Which of these is based on Technology?

- Modern
- Professional
- Corporate
- Industrial

### 10. Which of the below is not a Characteristic of a Fabian Entrepreneur?

- Conservative
- Risk averse
- Sceptical
- Adaptive

#### ANSWERS

1	c	2	c	3	d	4	d	5	c
6	d	7	d	8	d	9	c	10	d

### II. VERY SHORT ANSWER QUESTIONS:

#### 1. What is the other name of business entrepreneur?

Business entrepreneur is called solo entrepreneur

#### 2. What is the other name for corporate entrepreneur?

Corporate entrepreneur is called promoter

#### 3. Who are agricultural entrepreneur?

- ❖ Agricultural entrepreneurs are those entrepreneurs who raise farm products and market them.
- ❖ They use the various inputs like labour, fertilizer, insecticide, water technology etc.

- ❖ Those who raise allied products like poultry, meat, fish, honey, skin, agricultural implements, flowers, silk, fruits, prawn etc., are called agricultural entrepreneur.
- ❖ In short these entrepreneurs pursue their venture in agriculture and allied sector.

#### 4. State the name of the following ventures:

- ❖ Started by individuals for profit motive
- ❖ Started by Government.
- ❖ Started by individuals and Government together.
- ❖ Started as a family business

#### 5. Give some examples of pure entrepreneurs?

Examples of pure entrepreneurs are as follow as DhirubaiAmbani, Jamshadji Tata, T.V. SundaramIyengar, Seshadriji, Birla, Narayanamurthi, Aziz premji and so on.

### III. SHORT ANSWER QUESTIONS:

#### 1. Who is a private entrepreneur?

Ventures started by individual either singly or collectively at their own risk after mobilizing various resources in order to earn profit are called Private entrepreneurship.

#### 2. What is Political environment?

Political Environment is the state, government and its institutions and legislations and the public and private stakeholders who operate and interact with or influence the system.

#### 3. List down few examples of Pure entrepreneurship?

Examples of pure entrepreneurs are as follow as

- ❖ DhirubaiAmbani, - Reliance ADA Group
- ❖ Jamshadji Tata - Tata Group of Companies
- ❖ T.V. SundaramIyengar, - TVS Motor Vehicles
- ❖ Seshadriji, Birla – Aditya Birla Company
- ❖ Narayanamurthi - Infosys
- ❖ Aziz premji - Wipro

#### 4. How does a professional entrepreneur operate?

- ❖ Professional entrepreneur is one who is having a rich expertise in starting a venture but lack interest in continuing the venture as a manager

or as a owner.

- ❖ He/she simply sells out the venture started by him to someone else after its successful take-off.
- ❖ They keep on conceiving new ideas to develop alternative projects.
- ❖ In short, these entrepreneurs have got professional expertise in starting the venture and exiting it after the establishment.

#### 5. Explain about Agricultural entrepreneur?

- ❖ Agricultural entrepreneurs are those entrepreneurs who raise farm products and market them.
- ❖ They use the various inputs like labour, fertilizer, insecticide, water technology etc. to raise the products and market their products either directly or through co-operative entities or through brokers or through tie up with large retailers.
- ❖ Those who raise allied products like poultry, meat, fish, honey, skin, agricultural implements, flowers, silk, fruits, prawn etc., are called agricultural entrepreneur.
- ❖ In short these entrepreneurs pursue their venture in agriculture and allied sector.

### IV. LONG ANSWER QUESTIONS:

#### 1. Explain in detail on classification according to the type of business?

##### (i) Business Entrepreneur:

- ❖ Business entrepreneur is called solo entrepreneur.
- ❖ He/she is the one who conceives an idea for a new product/service and establishes a business enterprise to translate his idea into reality.
- ❖ He/she may establish small or large enterprise to commercially exploit his /he idea.
- ❖ He/she takes up production, operations and pursues marketing activities.

##### (ii) Trading Entrepreneur:

- ❖ Trading entrepreneurs are those who restrict themselves to buying and selling finished goods.
- ❖ They may be engaged in domestic and international trade.
- ❖ Their core strength lies in distribution and marketing.

- ❖ They get their income by way of commission and marketing.

**(iii) Industrial Entrepreneur:**

- ❖ These are entrepreneurs who manufacture products to cater to the needs of consuming public after identifying the need left unfulfilled by the manufacturer hitherto.
- ❖ They may be small, medium and large entrepreneurs.
- ❖ Industrial entrepreneurs mobilize the resources of various types and create an entity to manufacture the products or service.
- ❖ They add utility to products rolled out by them which is termed as value addition.

**(iv) Corporate Entrepreneur:**

- ❖ Corporate entrepreneur is called promoter.
- ❖ He/she takes initiative necessary to start an entity under corporate format.
- ❖ He/she arranges to fulfil the formalities to start a corporate entity under Company law.
- ❖ Corporate entrepreneur assembles all the resources and put in place organization to run the business on a day-to-day basis.
- ❖ In corporate form of organization, ownership and management are separated.
- ❖ Corporate entities are registered under the companies Act or under the Trust Act.
- ❖ Corporate entrepreneurs install a team of experts to manage the entity on a day to day basis.

**(v) Agricultural Entrepreneur:**

- ❖ Agricultural entrepreneurs are those entrepreneurs who raise farm products and market them.
- ❖ They use the various inputs like labour, fertilizer, insecticide, water technology etc. to raise the products and market their products either directly or through co-operative entities or through brokers or through tie up with large retailers.
- ❖ Those who raise allied products like poultry, meat, fish, honey, skin, agricultural implements, flowers, silk, fruits, prawn etc., are called agricultural entrepreneur.
- ❖ In short these entrepreneurs pursue their venture in agriculture and allied sector.

**(vi) Retail Entrepreneurs:**

- ❖ Retail entrepreneurs are those who enter into venture of distributing the end- product to final consumer while wholesale entrepreneurs take up the venture of distributing the product to retailer.
- ❖ They used to buy the goods in small quantities from numerous wholesalers and make it available different products of different brands under one roof to end consumer.

**(vii) Service Entrepreneurs:**

- ❖ Service entrepreneurs enter into the venture of supplying service products to end consumers.
- ❖ Hoteliers, airlines, banking, insurance and financial service providers, repair service organization, bus operators, train service, advisory organization, advertising firms, manpower supplier etc., come under service entrepreneur's category.

**2. Discuss the nature of functional entrepreneurs?**

**(i) Innovating Entrepreneur:**

- ❖ Innovative entrepreneur is who is always focused on introducing a new product or introducing something new in the venture already started.
- ❖ They constantly observe the environment around them; collect information and analyse them in order to contribute something a new in the venture.
- ❖ Their innovation may take the form of brand new product, upgraded product, discovering untapped market, new method of production, reengineering of existing product, new method of distribution of product, simplification of complex process, adoption of a distinct process and so on.

**(ii) Imitative Entrepreneur:**

- ❖ Imitative entrepreneur is one who simply imitates existing skill, knowledge or technology already in place in advanced countries.
- ❖ A simply reengineer or redesign the products developed in advanced countries and produce

a version suited to their local conditions.

- ❖ For example, many electronic products invented in advanced countries are simply reengineered in developing countries.
- ❖ Similarly expensive medicines developed in advanced countries are simply reengineered by changing the composition of elements or changing the process of production.

### (iii) Fabian Entrepreneur:

- ❖ These entrepreneurs are said to be conservatives and sceptical about plasticizing any change in their organization.
- ❖ They are of risk-averse type.
- ❖ They do not simply change to the changes happening in the environment.
- ❖ But they adapt themselves to the changes only as a last resort when they fear that non adaptability to changes will inevitably lead to loss or collapse of the enterprise.
- ❖ Their dealings are governed by customs, religion, tradition and past practices handed down to them by their ancestors.
- ❖ They would like to follow in the footsteps of predecessors. Example; Nursus coffee

### (iv) Drone Entrepreneur:

- ❖ Drone entrepreneur are those who are totally opposed to changes unfolding in the environment.
- ❖ They used to operate in the niche market.
- ❖ They are similar to fabian entrepreneur in doggedly pursuing their conventional practices.
- ❖ The main difference between Fabian entrepreneur and drone entrepreneur lies in the fact that while fabian entrepreneur adapts to changes eventually as a last resort, drone entrepreneur never adapts himself or herself to change, Example; Gopal Tooth Powder.

### 3. Distinguish between the rural and urban entrepreneur?

#### Rural Entrepreneur:

- ❖ These are people who start venture in rural locations.
- ❖ They are provided a lot of economic and fiscal incentives to start their venture in rural

and semi urban areas in order to check the exodus of rural people to urban centres in pursuit of employment opportunity.

- ❖ Thanks to their immediate access to material, labour or other facilities at low cost.
- ❖ As a result the cost of production of rural ventures tends to be low.
- ❖ Agricultural and trading entrepreneurs prefer to set up their venture in rural areas.

### Urban Entrepreneur:

- ❖ Entrepreneur who commences his entrepreneurial activity in urban areas like State Capital, District Headquarters, Towns, Municipalities etc.,
- ❖ They may be industrial entrepreneur or corporate entrepreneur or retail entrepreneur.

## ADDITIONAL QUESTIONS:

### I. CHOOSE THE CORRECT ANSWERS:

1. In terms of chronological age most entrepreneurs initiate their entrepreneurial carrier between ages of \_\_\_\_\_.  
 a) 15 and 22                      b) 22 and 45  
 c) 45 and 57                      d) 57 and 63
2. Entrepreneurial success has been significant because of the culture and the political and economic system in \_\_\_\_\_.  
 a) European Countries      b) Asian Countries  
 c) Transition economies      d) Middle east
3. Which of the following are the balance points of Entrepreneurship?  
 a) Means of social changes  
 b) Increase in employment opportunities  
 c) Optimum utilization of resources  
 d) All of the above
4. Which is the part of concept of Entrepreneurship?  
 a) High Achievement capacity  
 b) Organization Building  
 c) Group level reaction  
 d) All of the above

5. Individuals who help the entrepreneur in business activities are called \_\_\_\_\_.  
 a) Role Models  
 b) Moral Support networks  
 c) Professional support networks  
 d) None
6. Which of the following are included in the functions of entrepreneurship?  
 a) Establishing the enterprise  
 b) Project Planning  
 c) Initiation and risk taking  
 d) All of the above
7. Which of the following organisations support entrepreneurs?  
 a) National Entrepreneurship Development Board  
 b) Export Promotion Council  
 c) Small Industry Service Institute  
 d) All of the above
8. The one who is always focused on introducing a new project or introducing something new in the venture already started.  
 a) Innovative Entrepreneur  
 b) Drone Entrepreneur  
 c) Fabian Entrepreneur  
 d) Private entrepreneur
9. The risk averse type of entrepreneurs are known as \_\_\_\_\_.  
 a) Innovative Entrepreneur  
 b) Drone Entrepreneur  
 c) Fabian Entrepreneur  
 d) Private entrepreneur
10. A person who is inspired to take up entrepreneurial activity is known as \_\_\_\_\_.  
 a) Pure Entrepreneur  
 b) Spontaneous Entrepreneur  
 c) Motivated Entrepreneur  
 d) Induced Entrepreneur
11. Assertion (A): The spontaneous entrepreneur has passion for meeting the challenges.  
 Reason(R): The inner urge and inborn traits drive the entrepreneurs to commence their ventures.  
 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.
12. Assertion (A): The technical entrepreneurs demonstrates their creative talents by producing innovative products.  
 Reason(R): The technical entrepreneur's strength lies in skill or knowledge of producing specialised product.  
 (A) (R) is correct but (A) is not correct.  
 (B) (A) is correct but (R) is not correct.  
 (C) Both (A) and (R) are correct.  
 (D) Both (A) and (R) are not correct.
13. Statement (A) : Corporate Entrepreneur is called Promoter  
 Statement (B) : Business Entrepreneur is called Solo Entrepreneur  
 Codes:  
 (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.
14. Statement (A) : Infosys and Wipro are come under the category of pure entrepreneurship.  
 Statement (B): Pure entrepreneurs apply their knowledge, skill and insight in making their venture a great success in order to earn maximum profit out of the venture.  
 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.

- 15. Assertion(A):** The innovative entrepreneur observe the environment around them  
**Reason (R):** The innovative entrepreneur is always focused on introducing a new project or introducing something new in the venture already started.

**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.

**16. Match the Following**

List I	List II
Business entrepreneur	Raises farm products
Corporate entrepreneur	Buying and selling of finished goods
Agricultural entrepreneur	Promoter
Trading entrepreneur	Solo Entrepreneur

- a)      b)      c)      d)  
 a) 4      3      1      2  
 b) 3      4      1      2  
 c) 3      2      1      4  
 d) 4      3      2      1

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

**II. VERY SHORT ANSWER QUESTIONS:**

**1. What is meant by Spontaneous Entrepreneur?**

- ❖ The entrepreneurs those who have natural inclination to start venture.
- ❖ They are supposed to be bold, optimistic and enterprising persons.
- ❖ They have passion for meeting the challenges.
- ❖ Their inner urge and inborn traits drive them to commence their ventures.

**III. SHORT ANSWER QUESTIONS:**

**1. Modern Entrepreneur:**

- ❖ Modern entrepreneur is one who keenly observes the dynamic of the market with eagle eye and identify the unfilled gaps, if any in product/ service.
- ❖ He/ She takes initiative in starting the venture to cater to the unmet needs of the market

**2. Classify the entrepreneurs according to the Area**

**1. Urban Entrepreneur**

- ❖ Entrepreneur who commences his entrepreneurial activity in urban areas like State Capital, District Headquarters, Towns, Municipalities etc.,
- ❖ They may be industrial entrepreneur or corporate entrepreneur or retail entrepreneur.

**2. Rural Entrepreneur**

- ❖ These are people who start venture in rural locations.
- ❖ They are provided a lot of economic and fiscal incentives to start their venture in rural and semi urban areas in order to check the exodus of rural people to urban centres in pursuit of employment opportunity.
- ❖ Agricultural and trading entrepreneurs prefer to set up their venture in rural areas.

**3. Classify the entrepreneurs according to the Ownership.**

**1. Private Entrepreneur**

- ❖ Ventures started by individual either singly or collectively at their own risk after mobilizing various resources in order to earn profit are called private entrepreneurship.

**2. State Entrepreneurship**

- ❖ Trading/industrial ventures started by Government under various formats like company, corporation, departments, board denotes state entrepreneurship.

**3. Joint Entrepreneurship**

- ❖ Ventures started and owned by both private individuals and government denote joint ownership.



**IV. LONG ANSWER QUESTIONS:****1. Explain the kinds of Entrepreneur based on Technology Adopted.****1. Technical Entrepreneur:**

- ❖ Technical entrepreneurs are such of those craftsmen like welder, fitter, moulder, draughtsman, turner, carpenter, goldsmith, tailor, photographer, repairer, weaver, sculptor, potter, wiremen or so on who start small ventures.
- ❖ They turn out products/service of high quality. They simply focus on production rather than on marketing.
- ❖ This type of entrepreneur demonstrates their creative talents by producing innovative products.
- ❖ Their strength lies in skill or knowledge of producing specialised product.

**2. Non-Technical Entrepreneur**

- ❖ Non-technical Entrepreneurs are those who do not possess any technical competence to produce the goods or service but have special talents to market the products successfully or by technical entrepreneur effectively to channel members and end consumers. expertise to distribute the products produced

**3. Professional Entrepreneur**

- ❖ Professional entrepreneur is one who is having a rich expertise in starting a venture but lack interest in continuing the venture as a manager or as a owner.
- ❖ He/she simply sells out the venture started by him to someone else after its successful take-off.
- ❖ They keep on conceiving new ideas to develop alternative projects.
- ❖ In short, these entrepreneurs have got professional expertise in starting the venture and exiting it after the establishment.

**2. Classify the Entrepreneurs on the basis of Motivation.****1. Pure Entrepreneur**

- ❖ Pure entrepreneurs are individuals who are propelled to enter into venture by psychological and economic motives.
- ❖ Their egos do not permit them to work for somebody else.
- ❖ They nurture desire of starting a particular venture and earning high profit there from and thus attaining a social status.
- ❖ They apply their knowledge, skill and insight in making the venture a great success in order to earn maximum profit out of the venture.
- ❖ Example Dhirubai Ambani, Jamshadji Tata, T.V. Sundaram Iyengar, Seshadriji, Birla, Narayanamurthi, Aziz Premji and so on.

**2. Induced Entrepreneur**

- ❖ An induced entrepreneur is one who is inspired to take up entrepreneurial activity thanks to entrepreneurship friendly policies put in place by the Government.
- ❖ In other words, concessions, incentives and soaps provided by the government drive them to enter into venture.
- ❖ Government provides a great deal of support in the form of loans, subsidies, nominal import of technology from abroad, concessions for export oriented item, allotment of sheds, and lands at subsidised price etc. impel the potential entrepreneurs to start the venture. rate of interest, tax breaks, tax holidays, training, import of technology from abroad, concessions for export oriented item, allotment of sheds, and lands at subsidised price etc.

**3. Motivated Entrepreneur**

- ❖ Motivated entrepreneurs are those motivated to take up venture by the desire for self fulfilment.
- ❖ They are motivated to produce and market product or service by sheer prospect of making huge profit.
- ❖ They are further motivated to develop the venture to a saleable stage so that he/she can sell the venture at a super profit to certain entrepreneurs(buyers) who do not like to take risks in setting up a new venture but desire to buy well developed venture promising great profit prospects.

**4. Spontaneous Entrepreneur**

- ❖ These entrepreneurs have natural inclination to start venture.
- ❖ They are supposed to be bold, optimistic and enterprising persons.
- ❖ They have passion for meeting the challenges.
- ❖ Their inner urge and inborn traits drive them to commence their ventures.