

NAME: [REDACTED]

ROLL NO: [REDACTED]

COURSE: Entrepreneurship (MG-481)

Day: _____

Date: 24/5/24

QUESTION NO: 1

Entrepreneurial Firm:

An entrepreneurial firm is a corporation that supports entrepreneurs. It provides an environment that nurtures the entrepreneurial mindset and skills.

There are some characteristics which describe an entrepreneurial corporation. These include having a vision, creativity and innovations, system of feedback, reward etc and not having strict rules and regulations that might lead to diminishing the employees innovation. They also support work discretion.

For example:

Google is an entrepreneurial firm it provides freedom of vision, creativity, innovation to its employees. It also doesn't have very rigid rules, regulations and standards which might cause creativity to reduce.

QUESTION NO: 2

Four Characteristics of Opportunity:

The four characteristics of opportunity are:

- 1- Attractiveness - Does the idea attract customers?
- 2- Timely - Is there a need of this idea?
- 3- Durable - Will this idea still be in use after some time?
- 4- Anchored into a product/service/business that adds value to its buyers. - Can this idea be developed into a product?

For example?

If we take the role consider 'Alibaba' an online shopping platform. The idea to develop an online e-commerce

lets consider 'Netflix' an online enjoyment platform where user can watch any dramas and movies by paying a small subscription every month.

Initially netflix started out with the business of renting out CDs of different TV shows and movies. At that time the television and CD technology was newly invented and people were interested in watching movies at home but the CDs were expensive.

This idea covered the four characteristics of opportunity as:

1) **Attractive:** / budget
People found it cost friendly to rent CDs instead of buying them.

2) **Timely:**
The technology was newly brought in market and the public was facing the issue of buying new CDs every time hence there was a window of opportunity.

3) **Durable:**
As long as no other medium of transferring data is discovered, this idea was the best possible solution. Till the invention of internet, USBs etc this idea remained famous.

4) Anchored into a service:

Netflix could provide this service to customers easily and as the necessary technology and resources were available and there was a window of opportunity as well.

x ——— x ——— x.

QUESTION NO: 3

Radical Innovation:

UBER was a radical innovation as no such idea existed before it. It combined the growing use of mobile phones with the need of hiring taxis and created a window of opportunity for itself. It proposed a completely new idea.

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Incremental Innovation:

BYKEA is an incremental innovation. It adopted the idea of uber for bikes as well. UBER only used to support cars while bykea supported bikes only, but the whole concept was same.

x ——— x

QUESTION NO: 4

There are following three ways of identifying an opportunity:

1. OBSERVE MARKET TRENDS:

Identify what users or customers are interested in these days by observing the current sales in market.

Day:

Date:

2) SOLVING A PROBLEM:

Identify and solve a problem that customers encounter.

3) FINDING MARKET GAP:

Analyzing the current facilities in market and what makes customer frustrated. This leads to identifying market gaps. Gaps are basically differences between what customer wants and what they are provided with.

Explanation: FINDING MARKET GAP:

In the olden days when theatres were first introduced, there was no snack shop or cafeteria near it. People used to buy or bring food from outside which used to cause them wastage of time and effort.

Discovering this problem or market gap today's cinemas are now built to accommodate snack shop right outside the theater. This brought ease in customers' lives.

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QUESTION NO: 5

Benefits of Buying an Existing Business:

- 1) The risks are lesser as the venture is already set up and in working.
- 2) The venture already has full employee support. That is human resource is already available.

Day: _____

Date: _____

- 3) Saves a lot of time and effort, of building a venture from scratch.
- 4) The inventory ^{already has} equipments and other necessities. ~~The~~ We don't need to do these things from scratch.
- 5) The new owner can benefit from the experiences of previous owner and take measures accordingly. e.g: If an idea or product failed in the past the new owner can safely learn from experience and not try selling the same product again.

X ——— X ——— X.

QUESTION NO: 6

Benefits of Intellectual Property Rights:

- 1) Prevents an idea, product, solution, content, etc from being stolen, duplicated, or reused without consent of the original owner.
- 2) Builds customer trust in a venture's brand name. When the name is trademark protected no one else can use it for their ventures. This leads to customers having faith in businesses.
- 3) Ensures consistent quality within a specific venture / product.

4) The owner of the product has the legal benefits in case someone steals or recurses their idea or reengineers it to create something similar.

5) The owner of a new product gains the right to produce and sell that product for the next 15-20 years without the fear of it being stolen, or replicated. Hence the owner can benefit from their invention.

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QUESTION NO: 7

Advantages of Debt:

1. Retain business ownership.
2. No present obligations, easily obtained.
3. Obtain huge investment at once.

Advantages of Equity:

1. No future obligations.
2. Can easily generate capital in early stages of venture.
3. Growth of investor network.

→ MORE BENEFICIAL:

For generating capital, equity will be more beneficial because it does not have any future obligations. You don't have to pay back anything. and there is not no interest rate. If the venture succeeds you can buy the shares again and

the legal benefits
uses their idea or
something similar

gain the right
for the next
of being stolen,
once can benefit

retain ownership of your business.

x — x — x.

QUESTION NO: 8

Advantages of sole proprietor:

- sole ownership of business
- Unlimited liability. Full control of every decision.

Advantages of partnership:

- loss is shareable.
- Initial investment is available.

Advantages of private limited:

- Limited liability.
- You can sell shares privately to whom ever you want.

Advantages of public limited:

- Growth of investor circle.
- Limited liability.

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Advantages of venture → MOST BENEFICIAL:

I think private limited will be most advantageous because it prevents the loss of owner's personal property even if the business goes bankrupt. So, if even if the business fails you will not lose your property, and have a high chance of still. In this way the owner still has a chance of starting another venture. The risks involved with private limited are less.

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