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## Entrepreneurship

### Assignment / Important Question

#### Unit - 1

1. Define Entrepreneurship?

Answer of Q. No. 1

Entrepreneurship is the process of identify opportunities in the market place arranging resource required to fulfill the opportunity for long term gain.

It is creating wealth by bring together resources in new way to start an operate an enterprise.

It is the process of planning, organizing and operating assuming the risk of a business venture.

Entrepreneur	Entrepreneurship	Innovative Creation
Person	Process of Allocation	Object

According to Harvard Wesley Johnson

"Entrepreneurship is a composite of this basic elements in invention, innovation and adaption."

According to Schumpeter

"Entrepreneurship is a innovative function it is a leadership rather than an ownership."

2. Write a brief note on 'An Entrepreneur should take calculated risk'? Types of Entrepreneur?

Answer of Q. No. 2.

### "An Entrepreneur should take Calculated Risk"

An entrepreneur takes a risk by simply deciding to start an enterprise. However, unlike a bet in which one's ability to affect the outcome is zero, when an entrepreneur takes risks in setting up a venture, he/she calculates his/her chances of succeeding or failing and chooses from a discretionary to continue with his/her dream and work for its success.

Richard Cantillon, an Irish man living in France, was the first who introduced the term entrepreneur and his unique risk bearing function.

He defined entrepreneur as an agent who buys factors of production at certain prices in order to combine them into a product with a view to selling it at uncertain prices in future.

An entrepreneur is a calculated risk taker.

He enjoys the excitement of a challenge but he does not gamble.

The entire entrepreneurial process, the entrepreneur has to make many decisions in different fields.

Some of them have a significant effect on the continuation of his/her activity.

An entrepreneur avoids low-risk situations because

there is a lack of challenge and he avoids high-risk situation because he wants to succeed. He likes achievable challenges.

An entrepreneur likes to take calculated realistic risks because he wants to be successful.

Hence, low risk situation and high-risk both are avoided because these do not satisfy the entrepreneur.

### Types of Entrepreneur

"Entrepreneurs are found in every system and every form of economic activity. They are found among traders, importers, engineers, exporters, bankers, farmers, forest workers, professionals and so on".

#### 1. On the basis of stage of economic development

- Innovative
- Adapting
- Fabian
- Diverse

#### 2. On the basis of attitude and knowledge

- Rational
- Empirical
- Cognitive

#### 3. On the basis of type of business occupation

- Business Entrepreneurs
- Trading Entrepreneurs
- Industrial Entrepreneurs
- Corporate Entrepreneurs
- Agriculture Entrepreneurs

On the basis of use of Technology

Technical

Non - Technical

Professional

On the basis of ownership

Private

Joint

- Public
- Co-operative

On the basis of ownership

Small Scale Resources

Large Scale Resources

On the basis of other type of Entrepreneurs

Pure Entrepreneurs

Motivated Entrepreneurs

Induced Entrepreneurs

Growth Entrepreneurs

Super - Growth - Entrepreneurs

First Generation Entrepreneurs

Modern Entrepreneurs

Intrapreneur

Co - entrepreneurs

Young Entrepreneurs

Part - Time Entrepreneurs

3. Define Entrepreneur and Intrapreneur?

### Entrepreneur

"Entrepreneur is a person who setup a business or an enterprise. He is one who has the capability of risk bearing initiative and skill for innovation. He look for high achievements and creative thinker, an individual who combined in himself. The role of innovator and risk bearer."

### According to Frank knight

"An entrepreneur is a specialized group or person who bear risk and meet the uncertainty."

### According to Forrest Frantz

"The entrepreneur is more than a manager and a innovator and promoter as well as adapter challenges."

### Intrapreneur

"An intrapreneur is nothing but an entrepreneur within the boundaries of the organisation. An intrapreneur is an employee of a large organization, who has the authority of initiating creativity and innovation in the company's products, services and projects, redesigning the processes, workflows and system with the objective of transforming them into a successful venture of the enterprise."

4. Explain the role of entrepreneurship in the development of a nation? What is the difference between Entrepreneur and Businessman?

### Role of Entrepreneurship in the Development of a Nation

The role of entrepreneurship in national development including the following :-

#### 1. Economic Development

The profits made by entrepreneurs, payments for the various factors of production by the entrepreneur flow as an increase into the National Income.

Increase gross domestic products, national income etc. help in improving the standard of living of the citizens of the country.

#### 2. Creation of Immediate Large-Scale Employment

Entrepreneurship results in the creation of small business. The labor intensive nature of small business enables them create more jobs than the big businesses.

To existence of small scale business in the country had provided job and employment to many citizens.

#### 3. Improvement in the Standard of Living through Innovation

Reduction in Rural-Urban Drifts : One of the primary objectives of promoting entrepreneurship in developing countries is to check rural-urban drift.

The migration of rural dwellers to cities in search of 'white-collar' jobs has resulted in congestion, high incidence of crimes, etc.

#### 4. Development of Local Technological Base

The development of indigenous technological base in Nigeria has been championed by native entrepreneurs; this will help in transferring the much needed technology needed for the rapid transformation of the country.

#### 5. Conservation of Foreign Exchanges

#### 5. Provides International Opportunities:

Today entrepreneurial small business are not limited to pursuing customers within their own border.

The shift to a global economy has opened the door to tremendous business opportunities for entrepreneurs willing to reach across the globe.

#### 6. Technological Advancements

Entrepreneurship makes search for new technologies and new products.

Entrepreneurs promote new inventions and new technologies. Evolution of modern business machines is a direct consequence of entrepreneurial effort and jobs.

## Difference between Entrepreneur and Businessman

Basic	Businessman	Entrepreneur
Meaning	A businessman is an individual who operates or starts a business with the same old business idea.	An entrepreneur is an individual with an exclusive idea to initiate and establish a new venture.
Market State	Market player	Market leader.
Nature	Calculative	Intuitive
Market	Makes his place in the market	Entrepreneur creates a market.
Risk Factor	Less	Approximately high
Procedure	Traditional / Ordinary	Unconventional
Focus	Profit	Employee, customer, public
Competition	Extremely High	Low

5. Explain the need of Women entrepreneurship?

### Need of Women Entrepreneurship

- The challenges and opportunities for women in the digital age are growing, as job seekers turn to job creation. They are growing as a designer, interior designers, exporters, publishing, clothing and always looking for new modes of economic participation. They have better access to local and foreign markets.
- Even as women are receiving education, they face the prospect of unemployment. In this background, self-employment is regarded as a cure to generate income.
- The planning commission as well as the Indian government recognizes the needs for women to be part of the mainstream of economic development.
- Women entrepreneurship is seen as an effective strategy to solve the poor problems of rural and urban poverty.
- Breaking through traditional patterns and structures that inhibit women's advancement.
- Develop confidence - Women in India lack self-assurance in their potency and proficiency. However, over the last few years the outlook of Indian women is changing and they are fast emerging as potential entrepreneurs.

- Role modeling of women in non-traditional business sectors to break through traditional views on men's and women's sectors.
- Understanding of Business Administration - Women should be highly educated and trained in their area of knowledge so that they can attain expertise and understandings of all the major operational aspects of business administration. This will assist a woman to take balanced decisions beneficial for expanding her business network.
- Women companies are fast-growing economies in almost all countries. The skills, knowledge and adaptability of the economy led to a major reason for women in business.
- The role of women entrepreneurs is especially relevant in the situation of large scale unemployment that are country facts.
- While women entrepreneurs have demonstrated their potential, the fact remains that they are capable of contributing much more than what they already are.
- In order to harness their potential and for their continued growth and development, it is necessary to formulate appropriate strategies for stimulating, supporting and sustaining their efforts in this direction. Such a strategy needs to be in congruence with field realities and should especially take cognizance of the problems women entrepreneurs face within the current system.

6. Write characteristics of successful entrepreneurs?

### Characteristics of Successful Entrepreneurs

1. Risk Bearing
2. Skill at Organizing
3. Desire for Responsibility
4. Confidence in his Ability
5. Desire for Immediate Feedback
6. Innovator
7. High Achiever
8. Trust Inself
9. Work as Satisfaction
10. Opportunity Focus
11. High Level of Energy
12. Prefer Achievement Over Money
13. More than a Manager
14. Future Oriented
15. Action Oriented

## Unit - 2

1. Classify the industries as per the government norms?

As per the government consideration the industry can be classified on the following basis:

### 1. Tiny (Micro Industries)

Tiny industries or the tiny sector unit may be classified as the smallest unit of the production system. A Tiny industry may be defined as a unit where investment in plants and machinery is only upto Rs 5 lakh and this must be located or their location must be in a town having the population of 50,000 or less. Later the limit raised upto 2500,00.

### 2. Small Scale Industry

In the industrial policy the small scale industry was define as "An industry in which the investment fixed acid and machinery may not exceed Rs 1,000,000.00. For export orientation unit the limit may be upto Rs 5 Cr.

Small scale industry are larger than large scale industry. they generally manufacturing the routine product such as shoes, toothpaste, powder etc.

### 3. Medium Scale Industry

Medium scale industry are larger than SSI. In acid and manufacturing the machinery remain low in this industry.

The investment limit keep on changing from time to time. It may range between 5G to Rs. 10G.

#### 4. Large Scale Industry

They invest on huge capital on plants and machinery which has no limit. They are bound by certain rules and regulation. They are required to strike with factoriesact. They are bound to pay salaries and other benefits to their employees in according the government consideration. Their branches may be all over the entire country as well as abroad like:- Tisco, Hindustan Unilever, Grasim are examples of LSI

2. State and explain categories of small industries ?  
How an entrepreneur can acquire land for setting up a small scale industry ?

### Categories of Small - Scale Industries

All types of small - scale industries found in India whether in manufacturing sector or service sector are divided into types :-

#### 1. Manufacturing Industries

Those units which are producing complete articles for direct consumption and also for processing industries are called as manufacturing industries for ex:- powerlooms

engineering industries, food processing industries etc.

## 2. Ancillary Industries

The industries which are producing parts and components and rendering services to large industries are called as ancillary industries.

## 3. Service Industries

Service industries are those which are covering light repair shops necessary to maintain mechanical equipments. These industries are essentially machine based.

## 4. Feeder Industries

Feeder industries are those which are specialising in certain types of products and services e.g. casting, electro plating, welding etc.

- Every state government has an organization to promote small industries. They develop large parcels of land as industrial estates. It is divided into different sizes. You have to first estimate how much area you need for setting up your industry and approach them with your requirement. They will allot the suitable plot to you. You can buy it either on outright basis or on payment of monthly instalments.

Q. What are cottage industry?

Cottage Industry :- A cottage industry refers to a system of production where goods and services are produced at home in small amount as opposed to large - scale production in a factory. Most of the industries in the cottage industries focus on manufacturing unique goods and services that require many producers who mostly work part-time. In addition, this industry does not require a lot of capital to start, which equates to moderate amount of income that the business generates.

### Cottage Industries

#### Rural Cottage Industries

Part Time  
Mats, baskets  
Bidi, Rope  
cotton, yarn  
etc...

Full Time  
Potter, black  
smith, gold,  
smith, cobbler  
etc...

#### Urban Cottage Industries

Part Time  
Kite and toy  
making, painting  
dying etc...  
Full Time  
Masking  
utensils  
carpentry  
handicrafts  
sculpture  
etc...

4. What is service sector?

The service sector, also called tertiary sector, is the third of three traditional economic sectors. The service sector provides services rather than producing material commodities. Activities in the service sector include retail, banks, hotels, real estate, education, health, social work, computer services, recreation, media, communications, electricity, gas and water supply.

5. Name at least six car manufacturing company in India?

Six car manufacturing company in India are:-

- (i) Tata Motors Limited
- (ii) Maruti Suzuki Limited
- (iii) Hindustan Motor Limited
- (iv) Ashok Leyland Limited
- (v) Mahindra Motors
- (vi) Force Motors

6. What is the importance of technical consultancy in the establishment of an industry? What are the industries that can be setup related to solar energy?

### Importance of Technical Consultancy

Technical consultancy is a sort of guidance provided to entrepreneurs by the experienced person, experts or specialist of some specific field.

Such consultants sometimes take fees for their services and sometimes impart the guidance at free of cost. Different consultancy organisation or agencies provide these services in different ways the activities are:-

- (i) Development of Human Resources
- (ii) Activities Related to Industry
- (iii) Survey Task
- (iv) Power Generation
- (v) Advice Regarding to Environment
- (vi) Other functions.

### Industries Related to Solar Energy

- (i) Chemical Industry
- (ii) Iron and Steel Industry
- (iii) Light Engineering Industry
- (iv) Textiles Industry
- (v) Windmill

I: Explain Ancillary industrial unit. Why it is important?

### Ancillary Industrial Unit

An ancillary unit is defined as an industrial undertaking having investment in fixed assets, in plants & machinery whether held on ownership or on hire purchase not exceeding Rs 100 Cr. & engaged in:

Manufacturer of parts & components sub-assemblies, tooling or intermediates.

Rendering of service or proposing to supply or render not less than 50% of his production or service to one or more other industrial undertaking for production.

### Ancillary Unit is Important For

- (i) Growth of Employment
- (ii) Growth of GDP
- (iii) Growth of Entrepreneurship

### 8. Short Note on :-

#### (i) Partnership

" Partnership is a association of person of agree to combine there financial resource and managerial abilities to carry an a business and share the profit in agreed ratio."

#### Features of Partnership

- (i) Fixed Number
- (ii) Profit and Loss Sharing
- (iii) Collective Management
- (iv) Unlimited Liability of Partners
- (v) Joint Ownership and Control.

#### Advantage of Partnership

- (i) Easy to Establish
- (ii) Division of Profits
- (iii) Larger Pool of Capital
- (iv) Little Government Regulation
- (v) Low Taxes

#### Disadvantage of Partnership

- (i) Limited Resources
- (ii) Risk for implied Authority
- (iii) Public Dis-trust
- (iv) Lack of Central Authority

(ii) Tiny SSI

A unit is defined as tiny enterprise where investment in plant and machinery does not exceed Rs 25 lac. irrespective of the location of the unit.

Market Development for the Tiny Sector

A suitable mechanism be involved to promote marketing outlets specializing in marketing product manufactured by the tiny sector. Effort may also be made to develop common brand names for such products.

Significance of Tiny Sector in National Development

Tiny sector industries play a vital role in the national development. The problem of a developing nation are generally poverty, unemployment, technically backwardness, dependence of agriculture etc.

(iii) Proprietorship

According to J.L. Hansen

"Sole trader is a type of business where a person is solo responsible for providing the capital for bearing the risk of the enterprise and for the management of the business."

A sole proprietorship business means that there is only one owner may be employees or helpers hired under the owner

but there is only one head who administrate and run the show.

### Features of Proprietorship

- (i) Single Ownership
- (ii) One Man Control
- (iii) Unlimited Liabilities
- (iv) Minimum Government Regulation
- (v) No separation between Ownership and Management
- (vi) Less Formalities.

### Advantages of Proprietorship

- (i) Simple to Create
- (ii) Full Control
- (iii) Flexible Management
- (iv) Direct Motivation
- (v) Total and quick Decision Making Authority
- (vi) Easy to Discontinue
- (vii) No special legal restrictions
- (viii) Suitable for Small Scale Operation

### Disadvantage of Proprietorship

- (i) limited Skill Capability
- (ii) Limited Resource
- (iii) Limited Access to Capital
- (iv) Not suitable for big business.

## Unit - 3

1. What do you understand by infrastructure? Explain the efforts made by the government to develop the infrastructure?

### Infrastructure

Infrastructure refers to the basic systems and services that a country or organization need in order to function properly. For whole nation, it includes all the physical system such as the road and railway network, utilities, sewage, water, telephone lines and cell towers, air control towers, bridge etc. plus services including law enforcement, emergency services, healthcare, education etc.

### Efforts Made by the Government to Develop the Infrastructure

- (i) Land :- Land is considered to the basic factor of production. Hence, its availability, in the proper form is the first requirement for the growth of entrepreneurship. The usefulness of land can be estimated by its planeness and surrounding geographical features such as source of water, climatic conditions etc.
- ii) Medium of Transportation :- After the development of land, the facilities of transportation are made available. Roads are constructed which prove to be a link between the main cities and proposed site for industrial development.

- (iii) Water and Power Supply :- Water is the dreadful necessity of both human beings and industrial plants. If the natural resource of water, such as rivers, streams, lake, pond etc. are located nearby then such water can be used by booster system or by establishing distillery. The importance of electricity too can be denied in the formation of infrastructure. Electric lines are laid and power supply is made by the nearest power stations.
- (iv) Means of Communication :- Post offices are established and telephone lines are laid down for further development of infrastructural facilities.
- (v) Training Centres :- In lack of proper training to workers or managers, no industrial unit can develop rapidly. Hence, in order to promote the industrial infrastructural formation, the government organises and establishes the training centres at the location where the infrastructure is to be developed.
- (vi) Advisory Agencies :- In order to provide them with proper guidance, technical assistance and other type of related informations, the advisory agencies and consultancy organisation are set up for further strong formation of infrastructure.

2. Explain the activities of SIDBI?

### Activities of SIDBI

- Small industries development bank of India refinances loans that are extended by the PLIs to the small-scale industrial units and also offers resources assistance to them.
- It discounts and rediscounts bills
- It also helps in expanding marketing channels for the products of SST sectors both in the domestic as well as international markets.
- It offers services like factoring, leasing etc. to the industrial concerns in the small-scale sector.
- It promotes employment oriented industries particularly in semi-urban areas for creating employment opportunities and thus checking migration of people to the urban areas.
- It also initiates steps for modernisation and technological up-gradation of current units.
- It also enables the timely flow of credit for working capital as well as term loans to Small Scale Industries in cooperation with commercial banks.
- It also co-promotes state level venture funds.

3. While the activities of District Industry and Trade Centre?

### Activities of District Industries Centres

- Registration of SSI units (Permanent / Provisional)
- Registration of Handicrafts / Cottage Industries
- Implementation of Prime Minister's Rozgar Yojana.
- Granting of Subsidies to SSI units
- Distribution of Projects profiles among Entrepreneurs.
- Training for Entrepreneur Development Programme.
- Organisation of Industrial Cooperative Societies.
- Raw Material assistance through SIDCO.
- Allotment of sheds in Electrical & Electronics Industrial Estates.
- Marketing assistance through SIDCO.
- Conducting Motivation campaigns.
- Clearance of Licences etc. through Single Window Mechanism.
- Rehabilitation of sick SSI units.
- Recommendation of Awards to SSI units.
- Recommendation of Loan Applications to Banks under KVIC Scheme.

Q. What is 'Startup India' Campaign?

### Startup India Campaign

- Startup India was a campaign which was first addressed by PM Narendra Modi on 15 August 2015 at Red Fort, Delhi.
  - Startup India scheme is an important government scheme which was launched on 16th January 2016 with an aim to promote and support the start-ups in India by providing bank finance.
  - It was inaugurated by the former finance minister, Arun Jaitley.
  - The campaign was introduced under the Government of India as an initiative to develop over 35 startup support hubs in the country.
  - "Start-up India Campaign" is a revolutionary scheme that has been started to help the people who wish/want to start their own business.
  - These people have ideas and capability, so government will give them support to make sure they can implement their ideas and grow.
- \* The startup India scheme is based majorly on three pillars which are mentioned below:

- (i) Providing funding support and incentives to various start-ups of the country.
  - (ii) To provide Industry - Academic Partnership and Incubation.
  - (iii) Simplification and Handholding.
- Success of this scheme will eventually make India, a better economy and a strong nation.

5. What are the functions of Madhya Pradesh Financial Corporation (MPFC)?

The chief objective of establishing MPFC is to meet the financial requirements of small industries. In this regard, new and pre-established units are provided assistance in the form of loan and equity in order to fulfill their financial requirements.

→ Its major function is to provide loans to the units for the following purposes:

- For manufacturing / processing / preserving any type of goods.
- Hotel Business
- For production and distribution of power in any form.
- For developing an area in the form of industrial area.
- For maintenance, repairing, testing or servicing of any type of machinery, vehicle, motorboat, tractor trailers etc.
- For fishing or different activities related to this.
- For packing, assembling or repairing of any type of goods in which machine / power is used.
- For providing different type of expert or technical services for industrial development.
- For the establishment of hospitals and nursing homes.
- For purchase of different types of specific equipment, such as, those related with medical and health care, telecommunication facilities, earthmoving equipment etc.
- For purchase of vehicles for carrying the passengers through road or marine route.

MPFC in Madhya Pradesh sanctions a loan upto Rs. 1.50 crores to the eligible units.

6. What is 'Skill Development'?

## Skill Development

- Skill development is the process of identifying your skill gaps, and developing and having these skills.
- It is important because your skill determine your ability to execute your plans with success.
- Skill development is no longer a matter of choice.
- It is imperative to adopt survive and succeed.
- We work in era where dealing with ambiguity and disruptive trends are ~~per~~ pivotal to success

\* Skill development for a learner could mean four things :-

- (i) The skill or knowledge you acquire as a part of your academic qualification.
- (ii) Any other skill you invest in, to stay future ready.
- (iii) Any skill you pursue as a passion.
- (iv) Natural behavioral strengths.

7. Write in brief about 'Make in India' campaign?

### Make in India Campaign

- "Make in India" campaign was launched by the Prime Minister on 25th of September in 2014.
- It is an initiative to make a call to the top business investors all across the world for investing in India.
- It is a big opportunity for all the investors to set up their business in any field anywhere in the country.
- The attractive plan has resourceful proposals for foreign companies to set up manufacturing units in India.
- The symbol of this initiative is a giant lion having many wheels.
- This indicates peaceful progress and way to the vibrant future of the country.
- A giant walking lion with many wheels represents courage, strength, tenacity and wisdom.

8. Short Note on :-

(i) DTIC (District Trade and Industry Centre)

- The industrial Policy 1977 contained the concept of District Industries Centres (DIC). DIC program was initiated on 1st May 1978 as a centrally sponsored scheme.
- It was an landmark measure in development of cottage and small industries in smaller towns in India. DIC's were started with a view to provide integrated administrative framework at the district level for industrial promotion.

Objective of District Industries Centre

The basic purpose of these DIC's is to generate more employment opportunities for rural people. It was intended to make the centre as a central location for:-

- (i) Granting financial and other facilities to small units.
- (ii) Developing close links with development blocks and specialized institutions providing help to set up industries in rural areas.
- (iii) Identifying and helping new entrepreneurs.

(ii)

## MPAKUN (Madhya Pradesh Aadyogik Kendra Vikas Nigam)

AKUN was established in 1965 by the government of MP with a view for providing financial assistance and other facilities to medium and large scale industries. The Authorized share capital was Rs 35 Cr. as on 31 March, 1985.

### Functions

- To develop green field SEZs.
- To help in development of Industrial Development Centers.
- To acquire land for industries & also make all the necessary resource available.
- Promote Industrial development in state & in own jurisdiction. To explore and analyze possibilities of industrialization & also provide help in industry establishment.
- To develop Industrial projects either on our own or along with State Government, Municipal Corporations, any private company, association etc.
- To promote public units development & establishment.

To invite & attract Businessmen, entrepreneurs, & traders to establish their business & to trade in Madhya Pradesh. To promote them to participate in investing procedure in state, to invite, advice, help & attract them in investing in foreign partnerships, foreign currencies & foreign investments.

### (iii) MPLUN (Madhya Pradesh Laghu Udyog Nigam)

- MP. Laghu Udyog Nigam (MPLUN) is a Government of M.P. undertaking establishment in the year 1961, with a view to promote the Small Scale Industries of the state and to perform the Store Purchase functions of the Government of Madhya Pradesh.
- With an experience of more than two decades, in the field of marketing, the MPLUN is now a professional procurement organization. The procurement activity is supported by an independent Technical Department equipped with a team of experts in the field of Mechanical, Electrical, Textile, Chemical and Pharmaceutical, along with a number of our own Testing labs.
- Today, MPLUN's objective is to provide quality products at reasonable rates, to various departments of the State Government. The MP government has reserved 149 items, for preferential purchase from SSI sector of MP, through MPLUN only, under its Store Purchase Rules. The Nigam today has been recognized as a noble agency, not only for procurement of reserved items but also for the items not reserved under S.P.R. Many Central Government Departments in the State, are also increasingly procuring their requirements through MPLUN, obtaining our expert assistance at nominal service charges.
- Since its inception in 1961, the Nigam is constantly implementing the State Government's policies for development of SSI sector. MPLUN today has diversified, expanded and increased its activities - all aimed to encourage, develop and sustain the SSI sector.

(iv) Technical Consultancy

The institute give technical advice on selection of profitable small enterprises choice of appropriate machinery and equipment, appraisal of the technique of manufacture, processing of raw materials, adoption of recognised standards of testing, quality performance of the small industry. It encourages small units to participate in Government's Stores Purchase Programme.

## Unit - 4

1. List the incentives of subsidies and grants available to an entrepreneur by M.P. Government?

- (i) Government provide many types of incentives to entrepreneurs. These incentives help to increase productivity. It acts as a motivating force for the entrepreneur. These incentives are categorized as concession, subsidies and bounties.
- (ii) Subsidies are a one time lump sum amount given to the entrepreneur by the government. It is a financial help to cover the cost.
- (iii) Bounty is a financial help provided to an industry so that it can compete with other units of the country as well as any foreign industry in the same business.

\* Incentives and grants available to an entrepreneur by MP. Gov.

- Tax incentives /concessions from profits and gains.
- Incentives for exports including duty drawbacks.
- Exemptions and preferential treatment from excise duties.
- MOPUIT Credit
- Exemption from sales tax.
- Industrial Estates
- Industrial Complexes
- Availability of Power
- Transport Subsidy.

2. What are the steps taken by Government for development of industries in backward areas?

The following steps taken by government for development of industries in backward areas.

(i) Growth Centre Scheme :- Under this scheme 71 growth centres are to be developed throughout the country which would be provided with basic infrastructure facilities like power, water, tele-communication, sewage, effluent disposal etc. enabling them to attract industries. The scheme introduced in 1988 has been extended to the 11th 5-year plan period.

(ii) Transport Subsidy Scheme :- This scheme was introduced in July 1971 to promote industries in hilly, remote and inaccessible areas. Under the scheme, subsidy ranging from 50% - 90% is admissible on transport costs incurred on movement of raw materials and finished goods from designated rail heads/ports upto the location of the industrial units and vice-versa for a period of five years from the date of commencement of commercial production.

(iii) Capital Investment Subsidy Scheme :- Under this scheme, a subsidy @ 15% of the investment in plant and machinery subject to maximum of Rs. 30 lakh would be admissible to industries located in the growth centres and to new industrial units and for their substantial expansion in other identified areas in the north-eastern region. The scheme is

operated through the agency of the state government. The North Eastern Development Financial Corporation (NEDFC) has been designed as the nodal agency to release subsidy to the eligible units on the basis of recommendations of the state level committee (state government). The scheme was notified in 1998.

(iv) Central Interest Subsidy Scheme :- Under this scheme, notified on 19.2.99, interest subsidy on the working capital loan would be payable to the new industrial units in the north eastern region for a period of 10 years after the unit goes into production.

(v) Integrated Infrastructure Development Scheme :

- The office of the development commissioner (small scale industries). Ministry of small scale industries & agro and rural industries is also implementing the integrated infrastructure development scheme (IID).
- The scheme introduced in 1994 envisages development of infrastructural facilities for location of industries in rural / backward areas.

3. Short Note on :-

(i) Margin Money and Subsidies

Margin Money :- The margin money subsidy is provided for projects upto Rs. 25 lakh in the manufacturing sector and upto Rs. 10 lakh in the service sector.

General category beneficiaries can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas.

Subsidies :- A subsidy or government incentive is a form of financial aid or support extended to an economic sector (business or individual) generally with the aim of promoting economic and social policy.

(ii) Seed Money

- Seed Money Scheme (SMS) is a scheme that is part of the Prime Minister's Employment Generation Programme (PMEGP). The scheme implemented in Maharashtra, influences and motivates unemployed youth to take up self-employment as their earning source.
- SMS provides soft loans to unemployed individuals so that they can share the expenses and have an excellent start to their business. The repayment policies are very affordable and does not become a burden for them at the time of repayment.

- The main administering body is the same as it is in PMEGIP. The scheme is for both rural and urban individuals. The article discusses in detail about the Seed Money Scheme.

### Objective of the Scheme

The aim of the scheme is to encourage the unemployed individual to take up self-employment ventures through service, industry and business, by providing soft loans to meet a part of the margin money to avail institutional finance.

### Features of Scheme

The highlights of the Seed Money Scheme are as follows.

- The scheme grants funds for a project that costs up to Rs. 25 lakhs for industry, service and business activity.
- Seeds money grants 15 percent of assistance for project cost that is approved by financial institutions. Those projects that are costing upto Rs. 10 lakhs, the quantum of assistance ranges up to 15 percent for general category and 20% for SC/ST and NT/DB/UT/handicapped upto 20 percent.
- A seed money component upto Rs. 3.75 lakhs is provided by the scheme.
- Through this scheme, a bank loan of 75% of the project cost is offered.
- If the instalment is not repaid in time, it attracts 1.1% penal interest.

## Unit - 5

1. Distinguish between project profile and project report?

S. No.	Basic of Difference	Project Profiles PPR	Project Report DPR
(i)	Length of description	The description regarding unitl product is given briefly in the project.	The description regarding unitl product is required to be given in detail, in project report.
(ii)	Basic of Description	The given description is generally based on estimations.	The given description is based on real facts.
(iii)	Stages of Preparation	Project profiles is prepared when the entrepreneur only make up his mind, without taking any further step.	Project report is prepared after the entrepreneur has completed many formalities and has collected sufficient information.
(iv)	Purpose	Profile is used mainly to obtain the prop-used registration.	Project report is meant for obtaining loans.
(v)	Preparing Expertise	Its preparation does not require any specific technical ability.	Its preparation a technical task, that's why the consultancy organizations are established to assist in its preparation.

2. Prepare a project report for an industrial unit / product of your choice by assuming suitable data ?

## Industrial Project Report

### 1.0 General

Name of the Entrepreneur Tanisha Chauhan

Birth Date 08/07/2003 Age 16

Project Zoom App Solution with New Features

Location 3911C13 Vidhi Nagar, Indore Rented Shed

Type of Organisation : Proprietary / Partnership Proprietary

Name of Firm Wappgo FullStack Solutions

Address 3911C13 Vidhi Nagar, Cat Road, Indore (M.P.)

### 1.1 Educational Qualification

S.S.C & Below	Degree / Diploma	Institute	Major Subject	Year of Passing
S.S.C	Diploma	Shri Vaishnav Polytechnic College, Indore	Computer Network, C++ , Java, AI, etc.	2021

1.2

### Special Training

Training in	Institution	Duration	Achievement
UI / UX	Google	3 Months	Skill of FED.

1.3

### Work Experience (Past and Present)

Organization	Position	Nature of Work	Duration
Apple	Senior Front-End Developer	Designing	1 Years 2021-2022

### Details of Proposed Project : Manufacturing / Servicing

2.0

#### Production Programmes

S.N.O.	Item	Total Quantity	Sales Year / Revenue Year	Capacity Utilization
I	Basic Tools	4	2021	

2.1

#### Mechaneries / Equipment's

S.No.	Description	No. s Required	Price	Total Value	Name Address of the Supplier
I.	Keyboard	2	500	1000	A.S.J Hardwear
	Total	2	500	1000	

2.2.

### Raw Materials

Sr. No.	Item	Total Annual Requirements		Source
		Quantity	Value Rs.	
1.	Keys	500	100	R.P.J. Harder
2.	Wire	100	100	R.P.J. Solution
	Total	600	110	

2.3

### Utilities

Sr. No.	Particulars	Annual Increment	Total Annual Expenses <sup>Rs.</sup>	Remarks
1.	Electricity	500	1000	Bills
2.	Water	100	500	Bills
3.	Any Other	200	1000	Bills
	Total	800	2500	Bills

2.4

### Man Power

Sr. No.	Particulars	No.	Total Wages & Salaries <sup>(per year)</sup>	Remarks
1.	Skilled	5	5000	Salary
2.	Semi-Skilled	4	3000	Salary
3.	Unskilled	3	2000	Salary
4.	Office Staff	10	6000	Salary
	Total	22	16000	

3.0 Market Study : Include Details in Appendix

4.0 Cost of the Project

4.1 Fixed Capital

Sr. No.	Item	Valuable Rs.
1.	Land   Building	5,00,000
2.	Machinery   Equipment	3,00,000
3.	Furniture & Fixtures	1,00,000
	Total:	9,00,000

4.2 Working Capital

Sr. No.	Item	Duration	Quantity	Value (Rs.)
1.	Raw Material Stock	Jan - Feb 2020	50	5000
2.	Semi-Finished Goods Stock	Jan - Feb 2020	30	3000
3.	Finished Goods Stock	Jan - Feb 2020	20	2000
4.	One month production expenses (Utilities + Wages + Salaries)	Jan - Feb 2020	50	5000
	Total:			15000

4.3 Total Cost of Project

Sr. No.	Particulars	Valuable Rs.
1.	Fixed Capital	5000
2.	Working Capital	6,000
3.	Preliminary and Pre-Operative Expenses	7,000

#### 4.4. Means of Finances

Sr. No.	Peculiarities	Value (Rs.)	Remarks
1.	Term Loan	1,00,000	Loan
2.	Working Capital Loan	2,00,000	Loan
3.	Own Investment	50,000	Investment
4.	Subsidy	30,000	Subsidy
5.	Any Other	15,000	Other

#### 4.5

#### Project Profitability Analysis

Sr. No.	Description	Valuable Rs.
1.	Sales Revenue	1,00,000
2.	Manufacturing Expenses	50,000
3.	Selling + Distribution Expenses	20,000
4.	Administration Expenses	10,000
5.	Interest	5,000
6.	Depreciation	3,000
7.	Gross Profit	10,000
8.	Income Tax	5,000
9.	Net Profit	20,000

5.0

### Supplementary Details

5.1 Do you own House / Property etc ?  
Ans Yes

5.2 Own Insurance Policy  
Ans Yes

5.3 Any Interest in other firms?  
Ans No.

5.4 Do you belong to S.C/S.T./O.B.C/ General  
Ans General

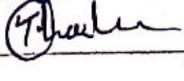
5.5 Present Monthly Income Rs.  
Ans 1,00,000 Rs.

6.0 Reference

S.No	Name	Address	Occupation
1.	Manan Shah	101, Dubai,	Ethical Hacker, Entrepreneur

Date : 99/04/2020

Place : Indore (M.P.)

Signature 

3. What is meant by 'Project'? OR Project Selection?

### Project

- A group of milestones or phases activities or tasks that support an effort to accomplish something.
- A combination of human and non-human resource put together in a temporary organization to achieve a specific purpose.
- A set of skill, specialist, knowledge skill and experience are required to reduce the level of risk within a project and enhance its likelihood of success.
- A scientifically evolved work plan devised to achieve a specific objective within a specific period of time. It can be considered as proposal involving capital investment for the purpose of developing facilities to provide goods and services.

Project Selection :- Project selection starts from where project identification ends. Project selection is a careful study of each project idea in detail and choosing one of them for further consideration and development.

# While selecting a project the following factors should be taken into consideration :-

- Market Survey
- Raw Material
- Infrastructure
- Technical Know-how
- Financial Condition

- Manpower
- Family or Traditional Occupation
- Family environment
- Social Custom
- Need
- Efficiency.

4. What are the various criteria for the selection of a product?

\* Following are the various criteria for the selection of a product.

- Supply - gap
- Fund
- Availability and Access to Raw Material
- Technical Implications
- Profitability / Marketability
- Government Policies
- Government Objectives

5. What is 'Market Survey'?

Market Survey

Market Survey is the survey, research and analysis of the market for a particular product

A service which includes the investigation into customer inclinations.

A study of various customer capabilities such as investment attributes and buying potential. Market surveys are tools to directly collect feedback from the target audience to understand their characteristics, expectations and requirements.

6. What are the functions of marketing?

The functions of marketing are:

1. Market Information :- To identify the needs, want and demand of the consumers and then analyzing the identified information to arrive at various decisions for the successful marketing of a firm's products and service is one of the most important function of marketing.
2. Market Planning :- Market planning aims at achieving a firm's marketing objectives. These objective may involves increasing market presence dominate the market or increase market share. The market planning function covers aspects of production levels, promotions and other action programmes.
3. Exchange Function :- The buying and selling are the exchange functions of marketing. They ensure that firm's offerings are available in

sufficient quantities to meet customer demands. The exchange function are supported by advertising, personal selling and sales promotions.

4. Product Designing and Development :- The product design helps in marketmaking the product design helps in making the product attractive to the target market. In today's competitive market environment not only cost matters but also the product design suitability shape, style etc. Matter a lot in taking production decisions.

5. Customer Support :- Customer support is a very important function of marketing it involves pre-sales counseling after sale service, handling the customer complaints and adjustments, credit services, maintenance service, technical service and consumer information.

7. What is importance of After sales service?

- After sales service plays an important role in customer satisfaction and customer retention. It generates loyal customers and increase a brand value.
- Customers start believing in the brand and get associated with the organization for a longer duration.
- They speak good about the organization and its products and services.
- A satisfied and happy customer brings more individuals

and eventually more revenues for the organization for long time.

- After sales service plays a ~~p~~ pivotal role in strengthening the bond between the organization and customers

#### 8. Short Note on :-

##### (i) Process of Setting Up SST

###### Step 1 : Selection of Product

Product selected for manufacturing should have good market potential and profitability. For this purpose market study is necessary.

→ Following factors should be considered while selecting a product for manufacturing :

- Product should have no or little competition
- Innovative Idea
- Experience in the line
- Easy availability of raw material
- Government policy about the product
- Easy access - ability to market
- Availability of Finances
- Availability of water and power

### Step 2 : Location an Enterprise

Location should be decided considering the economy between the raw material transportation and availability of land at cheaper rates with other facilities nearby.

In this connection - facilities offered by various State Governments are also relevant Industrial estates with pre-built factory sheds / developed plots have been set up in different parts of the country for coordinated, intensified and integrated development of small scale industries.

### Step 3 : Deciding Organisation Pattern

A small scale can be started in any following organisational patterns :

- Proprietary
- Partnership firm
- Cooperative Society
- Hindu undivided family
- Company.

### Step 4 : Preparation of Project / Feasibility Report

It is very essential to prepare a project report or feasibility report which theoretically justifies the starting of a factory profitably. This is also essential for getting loan from the banks and other facilities from other agencies. It is also

enables an entrepreneur to asses inputs required to guide for his future activities.

### Step 5 : Registration with Authorities

Small scale industries are required to get themselves registered with following authorities:

(i) State Directorate of Industries : This although voluntary but for getting various facilities and assistance from Government, small scale entrepreneurs are advised to get their units registered.

(ii) DGSI & D : This has a system of registration of firms as approved contractors in the following categories :

Manufactures of all stores purchased by DGSI & D,

- Stockists of imported and indigenous stores.
- Its assemblies for items like diesel generating sets, air conditioning plants etc

### 3. Registration Under Factories Act

4. Obtaining Licence from Municipal Authority

5. Registration with Reserve Bank of India

6. Registration with Regional Licensing Authorities

7. Registration with Export Promotion Councils

8. Registration with Sales Tax Authorities

### Step 6 : Statutory Licences / Clearances

Depending on the product line chosen, size of the units workers employed etc. an entrepreneur is required to seek approval for specific regulations applicable in his case. Depending upon the nature of the activity a unit has to secure various licences, clearances, no objection certificates, approvals and registration etc. details of which can be obtained from the District Industries Centres.

Source of such commodities are Alcohol based industries, Arms, Boilers, Cigarette, Cold Storage Chemical Industry, Commercial Vehicle, Drug and Chemists, Explosives, Food Finance oil, LPG, paper, printing press etc.

### Step 7 : Arranging Finance

A firm is required to explore internal and external source for raising funds. A judicious mix of funds should be accorded first preferences.

### Step 8 : Obtaining Land and Building

To overcome the problem of availability of land for the construction of factory, the State Department of Industries have set up Industrial Area and Industrial Estates in the urban semi-urban and rural areas.

### Step 9: Procurement of Machinery and Raw Materials:

National Small Industries Corporation Ltd (NSIC) supplies indigenous and imported machinery to small scale units on hire-purchase basis.

### Step 10: Connections for Power and Water Supply:

Consumers are allowed L.T supply for load upto 75 HP, beyond 130 HP loads they are supplied only H.T. supply. For the load between 75 to 130 HP, consumer has option either to avail L.T supply or H.T. supply. For water, entrepreneurs should apply to the water department of the municipality or corporation or make his own arrangement by installing a tube-well.

### Step 11: Recruitment of Staff

In these days of specialisation and competition, professionals and skilled workers are necessary to be recruited. After making realistic assessment of the actual manpower requirements of an enterprise, suitable arrangements should be made for the recruitment of personnel.

### Step 12: Marketing Management

The NSIC provides assistance in marketing the products of SSI sector, both at home and abroad.

The corporation markets products of SSI sector under the Government Stores Purchase Programme

to meet the requirements of departments, Railways, Defence etc.

#### Step 13: Quality Gradation and Testing

Four Regional Testing Centres and 19 Field Testing stations have been set up under SIDO in order to:

- (a) Improve the quality of products being manufactured in the small scale sector
- (b) To provide requisite testing facilities

Government have also introduced a scheme to provide incentives to those small scale undertakings who acquire ISO -9000 certification or its equivalent.

#### Step 14: Training, Research and Design Institutes:

For the success of any industry, proper training is essential in production techniques, management, marketing and other aspects. Small Industries Service Institute and their extension centres organise training programmes to improve technical skills of workers and acquainting the entrepreneurs with advanced production and management techniques.

### (ii) Financial Institutions

A financial institution is a company engaged in the business of dealing with financial and monetary transaction such as deposits, loans, investments and currency exchange. Financial institutions encompass a broad range of business operations within the financial services sector including trust companies, insurance companies, brokerage firms, and investment dealers. Virtually everyone living in a developed economy has an ongoing or at least periodic need for the services of financial institutions.

#### Types of Financial Institutions

- (i) Commercial Bank
- (ii) Investment Bank
- (iii) Insurance Companies

### (iii) Registration of Industries

#### Step 1 : Provisional Small Scale Industry (SSI) Registration

To obtain SSI registration you must apply for provisional SSI registration certificate. This certificate is given when the unit is in pre-operative stage and helps SSI unit obtain term loans and working capital. The

license is given for five years.

One could apply for this certificate online through the state website or by applying in the concerned zonal department.

### Important Documents for Provisional SSI registration

- Three passport size photographs of proprietors/partners/directors, as the case may be.
- Photocopy of the partnership deed in case of a partnership unit. It is not necessary that the partnership should be registered under the Partnership Act.
- Proof of legal possession i.e. rent receipt, NOS from the landlord with proof of ownership, the power load authorised by the connection holder to the applicant.
- Provisional Registration would be allowed in approved Industrial areas only after the Unit has obtained consent to establish from Delhi Pollution Control Committee.
- Some of the documents may differ because each state has different requirements of documents.

Step 2:

Start the Business :- The next step towards having a permanent license is to start the business with SSI certificate. The owner should start the production in the factory so that permanent license could be given.

Step 3 : Apply for Permanent SSI registration :

After you have started the business you should apply for permanent SSI registration. This could be done by applying online through state website or through the Zonal office or district office of the department.

## Unit - 6

1. Define 'Motivation'. What are its objectives? What are the types?

### Motivation

- The word 'motivation' comes from the Latin word meaning 'to move'.
- External motivation: bonus, work conditions.
- An inner (self motivation) or outer drive to meet a need or goal.
- It is one of three key elements in performance.
- Performance =  $f(\text{Ability} \times \text{Motivation} \times \text{Opportunity})$
- Ability refers to a natural talent to do something mental or physical.
- Motivation is not a stable individual characteristics.
- Motivation is not a trait.
- Opportunity refers to the different situation that workers may find themselves in.

### Objectives

- To motivate psychologically
- Determination of Goal
- Continuity of Efforts
- To develop patience
- To Create Desirousness

### Types of Motivation

There are three types of motivations described below:

- (i) Power :- In organization generally, the person is motivated through power or influence. Some influential person orders him to make efforts for goal achievement. Power motivation is generally exercised by the superiors over their subordinates.
- (ii) Affiliation :- Sometimes a person is induced to perform certain activities for the sake of his nears and dears. Or he is persuaded to make efforts for goal achievement for the persons with whom he is closely associated.
- (iii) Achievement Motivation :- By this source of motivation, a person is encouraged for the achievement of some specific goal or target. He is motivated by importance of the target, in other words the significance of the goal is explained to him and the necessity of goal achievement is narrated to him.

Q: What are the important elements on which the determination and achievement of goal depends?

The important elements on which the determination and achievement of goals depends are:-

(i) Motivation :- Motivation is generally described as the force that drives to pursue a goal. The more you want to goal, the more likely you are willing to make the efforts and sacrifices required to achieve it.

(ii) Self Confidence :- A strong belief in one's capacity for achievement is essential for success. Self confidence is the opposite of anxiety and self-doubt. Self confidence is acquired by knowledge, practical experience and effort.

(iii) Progress Monitoring :- Goals do not work well unless one can track progress. Progress monitoring serves to identify discrepancies between current and desired states. Monitoring progress also helps one to concentrate on goal-relevant activities.

(iv) Ability :- Refer to a natural talent to do something mental or physical.

(v) Opportunity :- Opportunity refer to the different situations that workers may find themselves in.

### 3. Short Note :-

#### (i) Achievement Motivation

- It is lateral person disposition to strive for a particular goal.
- It's person's deep and driving desire to do something important to attain the feelings of personal accomplishment.
- It is personal disposition to achieve something difficult and bigger.
- Thus, it becomes clear that achievement motivation is basically the predisposition or inner urge or inclination of an entrepreneur to accomplish something important and unique to attain a feelings of self-accomplishment and satisfaction.

#### (ii) Significance Achievement

- The main significance of achievement motivation lies in the fact that it serves as fuel to activate entrepreneurs to exert more and higher level of efforts to achieve something important to them. Here the apt saying of India's famous woman entrepreneur Shahnaz Hussain seems pertinent to appreciate the significance of achievement motivation. "Achievement depends on how badly you want to achieve."

\* The significance of achievement motivation can be imbued with multiplicity of as follow:

- It is an essential ingredient and hallmark of entrepreneurship development leading to industrial and economic development.
- This serves the major sources of the entrepreneurial supply.
- This is a psychological construct that keeps entrepreneurs activated towards their goals.
- Being inner drive, it is significant for the people for all walks of life be entrepreneurs, managers, leaders, social workers and so on.
- This also serve as one of the effective inventions for organizational development and in turn, national development.

### (iii) Development Achievement

Motivation for successful entrepreneurs a high achievement motivation is necessary. Following few steps may develop the achievement motivation.

- Achievement motivation can be aroused if goals of responsibility centres are clarified. Achievement motivation is related with achieving standards of excellence. Standards of excellence are internal and external e.g. personal standard and

- standard of the company. A person should try to co-ordinate these two factors.
- If an activity include moderate risk, achievement motivation can be aroused. Moderate risk means the possibility of success and failure is 50-50%. In such circumstances a person is motivated towards the goals. But if the goals are speculative e.g. possibility of a success and failure is 10-90%, then a person is not inspired by it.
  - Achievement motivation is aroused if the management control system is such that, a person should be allowed to make a change in his goal 91 percent.
  - Achievement motivation is aroused in the atmosphere of cooperation. Many persons work together in business unit is considered as an business activity. So there should be a proper co-ordination among them. There should ~~be~~ not be a clash between personal goals and the business goals.

## Unit - 7

1. Explain Break Even Point, Fixed cost and variable cost ?

Break Even :- A break even is a financial tools which helps you to determine at what stage your company, or a new service, or a product, will be profitable. In other words, it's a financial calculation for determining the number of products or services a company should sell to cover its ~~break~~ cost. Break-even is a situation where you are neither making money nor losing money, but all your costs have been covered. Break even analysis is useful in studying the relation between the variable cost, fixed cost and revenue.

Fixed Cost :- Fixed cost are also called as the overhead cost. These overhead costs occur after the decision to start an economic activity is taken and these costs are directly related to the level of production, but the quantity of production.

Formula :- The formula used to calculate fixed costs is  $FC + VC(Q) = TC$ .

Where FC is fixed cost, VC is variable costs, Q is quantity and TC is total costs.

Variable costs :- Variable cost are costs that will increase or decrease in direct relations to the production volume. These costs include cost of raw material, packaging cost, fuel and other costs, there are directly related to the production.

Total Variable Cost = Total quantity of output X variable cost per unit of output.

2. What is fund flow Statement?

### Fund Flow Statement

Fund Flow Statement implies a snapshot of the movement of funds i.e. inflow or outflow of the firm's financial assets for a specific period. It represents "from where the funds are received and where the funds are utilised" by the company during a particular period.

The Fund Flow Statement is useful in knowing the changes in the structure of assets, liabilities and capital. It shows whether the source of funds coincides with its application and indicates the accuracy of a firm's financing and investment decisions.

3. What is 'Gross Profit' and 'Net Profit'?

Gross Profit :- Gross profit refers to the amount of the money that is left after deducting all the manufacturing costs from the revenues. One of the importance of gross profit is to demonstrate how the organization is efficient in its production and pricing activities.

Formula :-

$$\text{Gross Profit} = \text{Revenues} - \text{Manufacturing Costs}$$

Net Profit :- Net profit is the number of earnings that an organization is left with after deducting (subtraction) all the expenses involved in operations, interest and taxes. Net profit is highly used to demonstrate the ability of the company to convert sales into profits.

Formula :-

$$\text{Total Income} - (\text{Total Expenses} - \text{Taxes} - \text{Interest})$$

4. List the name of machine and equipment required for a multi color offset printing?

The list of machine and equipment required for a multi color offset printing are:-

- (i) Offset printing machine for colouring machine (12.5 lakhs)
- (ii) TR62NP-61 Two color satellite offset printing machine (5 lakhs)
- (iii) The estimated price would be - 18 lakhs.