

Model Question Paper-1 With Answers 18CS51
MANAGEMENT AND ENTREPRENEURSHIP FOR IT INDUSTRY

(1a) DEFINE MANAGEMENT. EXPLAIN CHARACTERISTICS OF MANAGEMENT ?

Ans. **Management** is a function of guidance and leadership control of efforts of a group or individuals in order to achieve goals of an organization.

The following are some of the important **characteristics** of management.

1. It should be stable
2. It should be applicable to all kinds of organizations.
3. It should be transparent.
4. Its approaches are to be clear and goal oriented.
5. It should be simple yet effective.
6. It should be responsible to many external elements like economic, technological, social, political and ethical factors that affect the area of operation.
7. It should have good planning.
8. It should provide conducive atmosphere of work.

(1b) EXPLAIN NATURE OF PLANNING AND ITS IMPORTANCE IN PLANNING ?

Ans. Nature of Planning indicates essential quality or general characteristics of Planning.

Any planning involves four essential qualities.

- i It must contribute to accomplish purpose and objectives.
- ii It must be considered as a pre-exercise in all processes.
- iii It must be spread through all management functions
- iv It must be efficient in such a manner so as to achieve the designed goals at the least cost.

Importance of Planning

1. It overcomes **uncertainty and minimizes the risk.**

Planning allows managers and organization to minimize risk and uncertainty. In a dynamic society, planning helps the manager to cope with and prepare for the changing environment.

2. It facilitates **effective control**

In planning, the manager sets the goals and develops plans to accomplish these goals. These goals and plans then become standards or benchmarks against which performance can be measured.

3. It focuses **attention and concentration only on the objectives of enterprise**

Planning helps the manager to focus attention on the organization's goals and activities. This makes it easier to apply and coordinate the resources of the organization more economically.

4. It makes **economic operations and leads to success.**

Planning leads to success by doing the work as per the plan. There will be no confusions. This results in economical operations and reduces unaccounted expenditure.

5. Train executives :

Planning is an excellent means for training executives.

They become involved in the activities of the organization.

6. It forms the **bridge between the present and the future**

Plans bridge the gap between present and future.

(2a) EXPLAIN CONTRIBUTION OF F.W TAYLOR TO THE THEORY OF MANAGEMENT?

A proper systematic plan forms the bridge between these two.

Ans. 1. **Time and Motion Study** : Taylor thought was that no one knew how much work it was reasonable to expect a man to do. He, therefore started time and motion study, under which each motion of a job was to be timed with the help of a stop watch and shorter and fewer motion were to be developed. Thus the best way of doing a job was found.

2. **Differential Payment** : Taylor introduced a new payment plan called the differential piece work, in which he linked incentives with production. Under this plan a worker received low price rate if he produced the standard number of pieces and high rate if he surpassed the standard. Taylor thought that the attraction of high piece rate would motivate workers to increase production.

3. Drastic Reorganisation of Supervision :

Taylor suggested two new concepts :

- (i) separation of planning and doing
- (ii) functional foremanship.

Taylor suggested that the work should be planned by a foreman and not by the worker. Further, he said that there should be as many foremen as there are special functions involved in doing a job and each of these foremen should give orders to the worker on his speciality.

4. **Scientific Recruitment and Training** : Taylor emphasized the need for scientific selection and development of the worker. He said that the management should develop and train every worker to bring out his best faculties and to enable him to do a higher, more interesting and more profitable class of work than he has done in the past.

5. **Intimate friendly cooperation between the Management and Workers** : The management and the labours are try to increase production, rather than quarrel over whatever profits there were. By doing so, profits would be increased to such an extent that labour and management would no longer have to compete for them. Taylor believed that management and labour had a common interest in increasing productivity.

(2b) EXPLAIN TYPES OF PLANNING

Ans. **Strategic Plans:**

Strategic planning is the process of developing and analyzing the organization's mission, overall goals, general strategies, and allocating resources. It is generally determined by how far in the future the organization is committing its resources. Top level managers engage chiefly in strategic planning or long range planning.

Tactical Plans

Tactical planning provides the specific ideas for implementing the strategic plan. It is the process of making detailed decisions about what to do, who will do it, and how to do it.

In order to develop tactical plans, middle management needs detail reports (financial, operational, market, external environment).

Operational Plans

Supervisors implement operational plans that are short-term and deal with the day-to-day work of their team.

Supervisors set standards, form schedules, secure resources, and report progress. They need very detailed reports about operations, personnel, materials, and equipment. Operation plans are the supervisor's tools for executing daily, weekly, and monthly activities.

(3a) DEFINE LEADERSHIP. EXPLAIN VARIOUS LEADERSHIP STYLES ?

Ans. Leadership is defined as the process of influencing people so that they will strive willingly and enthusiastically towards the achievement of group goals.

There are three widely used **leadership styles** or approaches.

- (i) Traits approach
- (ii) Behavioural approach
- (iii) Contingency approach

Traits approach

Trait is basically a character and early ideas about leadership dealt with personal abilities.

The traits that associate with leadership are identified as : mental and physical energy, emotional stability, knowledge of human relations, personal motivation, communication skills, teaching ability, social skills, technical competence, friendliness and affection, integrity and faith, intelligence etc.

Behavioural approach

Several studies have been made did not agree as to which traits are leadership traits or their relationship to actual instances of leadership. It is found that most of these so called traits are really pattern of behavior.

There are several theories based on leadership behavior and styles .

- (i) Leadership based on the use of authority
- (ii) Likert's four systems of managing
- (iii) Managerial grid
- (iv) Leadership involving a variety of styles and level of use of power and influence

Contingency approach

Effective leadership style varies with situation. The effective leaders need to analyse the situation and find the most appropriate and best suited style for a given environment. Contingency approaches have much meaning for managerial theory and practice.

(3b) EXPLAIN PROCESS OF RECRUITMENT AND SELECTION PROCESS ?

Ans.

- 1) Re-employing former employees:** laid off employees or employees left due to personal reasons may be reemployed who may require less training compared to the strangers of the enterprise.
- 2) Friends and relatives of the present employees:** personnel with a record of good relationships may be encouraged to recommend their friends and relatives for Appointment in the concern where they are employed.
- 3) Applicants at the gate:** suitable unemployed employees who call at the gates of the factories or companies are called are interviewed by the factory or company personnel and those who are found suitable for the existing vacancies are selected.
- 4) College and technical institutes:** many big companies remain in touch with the colleges and technical institutions to recruit young and talented personnel.
- 5) Employment exchanges:** employment exchange set up by the government for bringing together those men who are in search of the employment and these who are in search of employment and those who are looking for men. Employment exchanges are considered a useful source for the recruitment of clerks, accountants, typists.
- 6) Advertising the vacancy:** can be done by advertising the vacancy in leading news papers which may be used when the company requires services of persons possessing certain special skills or when there is acute shortage of labor force.
- 7) Labor unions:** persons are sometimes recommended for appointment by their labor unions

Steps in the selection procedure:

- 1) Job analysis:** Is the process by means of which a description is developed of the present methods and procedures of doing a job, physical conditions in which the job is done, relation of the job to other jobs and other conditions of employment
- 2) Job description:** The results of the job analysis are set down in job descriptions for

production workers, clerical people and the first- line supervisors and managers also.

3) Job specification A job specification is a statement of the minimum acceptable human qualities necessary to perform a job satisfactorily.

Application bank: Filling the application blank by the candidate is the first step in which the applicant gives relevant personal data such as qualification, experience, firms in which he has worked.

2) Initial interview: Selected personnel based on the particulars furnished in the application blank are called for the initial interview by the company which is the most important means of evaluating the poise or appearance of the candidate.

3) Employment tests: Are used for the further assessment of the candidate of his nature and abilities certain tests are conducted by the company. These are:

(i) Aptitude test: is used in finding out whether a candidate is suitable for clerical or a mechanical job which helps in assessing before training as how well the candidate will perform the job.

(ii) Interest test: is used to find out the type of work in which the candidate has an interest.

(iii) Intelligent test: used to find out the candidates intelligence and candidates mental alertness, reasoning ability, poor of understanding are judged.

(iv) Trade or performance achievement test: this test is used to measure the candidate's level of knowledge and skill in the particular trade or occupation in which all he will be appointed, in case he is finally selected. In this test the candidate is asked to do a simple operation of the proposed job. Example: A candidate for a driver may be asked to drive to test his driving proficiency, a typist may be asked to type out some letters to find out his speed and efficiency.

(v) Personality test: is used to measure those characteristics of a candidate.

4) Checking references: used to know about the important personal details about the candidate, his character, past history his background verified from the people mentioned in the application after selection and found satisfactory at the interview.

5) Physical or medical examination: is another step in selection procedure. The objectives of this examination are

- (i) to check the physical fitness of the applicant for the job applied for
- (ii) to protect the company against the unwarranted claims for compensation under certain legislative enactments.

6) Final interview: This interview is conducted for those who are ultimately selected for employment and the selected candidates are given an idea about their future projects within the organization.

(4a) WHAT IS CONTROLLING .EXPLAIN THE STEPS IN A CONTROL PROCESS ?

Ans. Control is checking current performance against predetermined standards contained in the plans with a view to ensure adequate progress and satisfactory performance.

Steps in controlling :

- i Establishing standards
- ii Measuring and comparing actual results against standards
- iii Taking corrective action.

1. Establishing standards

The first step in any control process is to establish standard against which results can be measured.

Some key areas in all business organizations are : profitability, market position, productivity, personal development, employee attitude and public responsibility.

Standard may be qualitative or quantitative.

Standards like costs should be reduced, communication is to be faster, goodwill, employees morale etc. are some example of qualitative.

Number of units produced, profit percentage, standard hours, total cost incurred, etc. are some example of quantitative

2. Measuring and comparing actual results against standards

Measurement of performance can be done by personal observation or by a study of various summaries

of figures, reports, charts and statements.

Comparison is very easy if the system of control is well defined.

When the actual performance matches with the standards, no corrective action is required.

However, if the standards are not achieved, then the management should initiate necessary corrective action.

3. Taking corrective action.

After comparing the actual performance with the standard and noticing the deviations, the next step is to take corrective actions by the managers.

The cause of deviation may be due to ineffective communication, defective system of wages, wrong tools and machines, negligence from worker, lack of training, ineffective supervision, inadequate facilities etc.

Managers may correct deviations by redrawing their plans, or by modifying goals, they may use their authority through reassignment of jobs to others, or by putting additional staff, or providing extra training, better tools and by better leading.

(4b) EXPLAIN THE IMPORTANCE OF COORDINATION AND ITS TECHNIQUES?

Ans. *Importance of coordination :*

(i) Unity in diversity

There are large number of employees each with different ideas, views or opinions and interests. This results into a diversified activity in any organization. It is necessary to bring them together to accomplish the common objectives. Hence, coordination is to bring unity in diversity.

(ii) Specialization

In the modern industrial organizations, there is a high degree of specialization. Though specialists are well aware of their tasks and perform their tasks very effectively, they lack the knowledge of others and the importance of other activities. Coordination plays important role in bringing them together.

(iii) Team work

Coordination helps converging the diversified efforts of various groups to achieve the objectives. It promotes teamwork and avoids duplication of work.

(iv) Large number of employees

Large organizations employ large number of employees. They have different habits, behavior and approaches in a particular situation. Many times they do not work in harmony. Coordination is necessary to bring the harmony among them.

(v) Functional differences

The functions of organization are divided section wise. Each section performs different jobs. Each department tries to perform its function in isolation from others. Coordination is necessary to integrate the functions of the related department.

(vi) Recognition of goals

There are general goals of an organization. In addition, each department has its own goals and the individual employees also have their own goals. The individual employees give more importance for their own goals than the organization goals. Even the department heads give priority for department goals than the goals of organization. Coordination plays important role to reconcile both the employees goals and departmental goals with organizational goals.

(vii) Communication

Coordination ensures the smooth flow of information one direction to other direction.

(viii) Interdependency

The need for coordination in an organization arises of the interdependence of various units. The greater the interdependence of units, the greater the need for coordination.

Techniques of coordination :

(i) Rules, procedures and policies

The specification of rules, procedures and policies is a very common device to coordinate sub-units in the performance of their repetitive activities.

(ii) Planning

Planning ensures coordinated effort.

(iii) Hierarchy

The simplest device for achieving coordination is hierarchy or chain of command.

(iv) Direct contact

Strong cross functional links at multiple levels may be established for this purpose.

(v) Task force

This is a temporary group made up of representatives from those departments which are facing a problem. When a solution is reached each participant returns to his normal tasks.

(vi) Committees

It promotes effective communication and understanding of ideas, encourages the acceptance of commitment to policies and makes their implementation more effective.

(vii) Incentives

It promotes team spirit and better cooperation between superiors and subordinates.

(viii) Workflow

A workflow is the sequence of steps by which the organization acquires inputs and transform them into outputs. It is largely shaped by technological, economic and social considerations and helps in coordination.

(5a) EXPLAIN THE CHARACTERISTICS OF ENTREPRENEUR ?**Ans. Motivation**

Entrepreneurs are by nature motivated. After all, they put in long hours to get their ventures off of the ground and invest large sums — sometimes everything they have — to pursue their dreams. They do all of this knowing that it could take months or even years for them to *possibly* reap the fruit of their labor. And despite their hard work, they know that there is a chance that their efforts won't be rewarded with material success. Yet they refuse to give in to a fear of failure. So strong motivation, not to mention a steely focus, is needed to stick with ventures over the long haul.

Vision

The best entrepreneurs have a vision as to what they want to achieve, how they can accomplish their objectives, and whom they need on their side to reach their goals. Their vision acts like a compass that points them in the direction of opportunities that perhaps no one else has found. They also have the ability to translate their vision in a way that staff and investors can understand. Through [networking opportunities](#), entrepreneurs can find people they want to align with.

Passion

Passion is another characteristic of entrepreneurs. While a good payday at the end of the tunnel is good for motivation, entrepreneurs tend to be more driven by a passion for their offering as well as by a desire to make a difference. This passion or drive also helps to sustain entrepreneurs during periods where discouragement might otherwise manifest itself.

Confidence

Without confidence or self-belief, entrepreneurs cannot possibly succeed. They have to be confident both in themselves and in the products or services they sell. If they believe in themselves, they will have the ability to stay the course regardless of difficulties or discouragement. They also have the stomach to take risks — after all, they believe that they will succeed.

Decision Making

Being able to make decisions quickly is an important characteristic for entrepreneurs because it can be the difference between success and failure. Entrepreneurs not only need to have good decision making skills, but also must have the capacity to make those decisions quickly in order to avoid missing opportunities. This necessitates quickly considering the facts and then deciding. As you can see, there are definitely some key characteristics of entrepreneurship. As a leader at your company, you can use these traits to more capably and confidently perform your duties. Whether entrepreneurs

are born or made is, as it turns out, not the key consideration. What really matters is that leaders acquire or develop the winning characteristics of an entrepreneur.

(5b) DISCUSS TECHNICAL AND FINANCIAL FEASIBILITY STUDY ?

Ans. **TECHNICAL FEASIBILITY STUDY**

In technical feasibility study, the following points are studied.

Location of the project: The data regarding the location of project is very important.

It may be located in rural, urban or semi-urban areas.

Construction of factory, building and its size: The construction details, the nature/type of building and its size for the project are to be analyzed.

Availability of raw materials: The study of availability of raw materials, sources of supply, alternate sources, its quality and specifications cost etc., are to be studied.

Selection of machinery: The selection of machinery required to produce the intended product is to be carried out. The specifications are capacity, cost sources of supply, technology evaluation of various makes of the machine. Their good and bad etc., are studied.

Utilities: The details about availability of utilities like water, gas electricity, petrol, diesel etc. are to be studied.

Production capacity: Establishment of production capacity and utilization of production capacity are analysed.

Staff requirement: Study and analysis of requirement of workers, technical staff and officers etc. is to be made.

Technical viability: The technical viability of the opportunity is to be studied

FINANCIAL FEASIBILITY STUDY

Financial feasibility is the most important aspect of a business opportunity. Some of the aspects involved in financial feasibility study are:

Total capital cost of project: It is very essential to study the total cost of project. This includes fixed capital, working capital and interest factor.

Sources of capital: The study of main sources of capital is to be made. If capital is borrowed, interest burden is to be studied in detail.

Subsidiary sources for additional finance: After study of main sources of capital, subsidiary sources of capital are to be identified and studied.

Financial for future development of business: Financial requirement for future development of business are to be studied. Working capital requirement for at least three months running of enterprise are to be estimated.

Break Even Analysis (BEA): BEA is to be carried out to see at what level of production/sales will make the organization no loss/no profit situation. BEA is very useful to identify the level of production that makes profit.

Estimation of cash and fund flow: It is very essential to make a study of estimation of cash and fund flow in the business.

Return on investment (ROI): ROI is to be calculated to see the amount of return on investment for the investors/share holders and how much they get.

Proposed balance sheet: Proposed balance sheet is made showing liabilities and assets, depreciation, interest burden, profits expected etc.

Cost of labour and technology: The cost of employees is to be estimated and studied. If technology is not available then it has to be purchased from any R & D institution or by way of foreign collaboration.

(6a) DISCUSS DIFFERENT TYPES OF ENTREPRENEURS ?

Ans.

Types of entrepreneurs:

The literature has distinguished among a number of different **types of entrepreneurs**, for instance:

Social entrepreneur

A social entrepreneur is motivated by a desire to help, improve and transform social, environmental, educational and economic conditions. Key traits and characteristics of highly effective social entrepreneurs include ambition and a lack of acceptance of the status quo or accepting the world "as it is". The social entrepreneur is driven by an emotional desire to address some of the big social and economic conditions in the world, for example, poverty and educational deprivation, rather than by the desire for profit. Social entrepreneurs seek to develop innovative solutions to global problems that can be copied by others to enact change.

Social entrepreneurs act within a market aiming to create social value through the improvement of goods and services offered to the community. Their main aim is to help offer a better service improving the community as a whole and are predominately run as nonprofit schemes. Zahra et al. (2009: 519) said that "social entrepreneurs make significant and diverse contributions to their communities and societies, adopting business models to offer creative solutions to complex and persistent social problems

Serial entrepreneur

A serial entrepreneur is one who continuously comes up with new ideas and starts new businesses. [4] In the media, the serial entrepreneur is represented as possessing a higher propensity for risk, innovation and Achievement

Lifestyle entrepreneur

A lifestyle entrepreneur places passion before profit when launching a business in order to combine personal interests and talent with the ability to earn a living. Many entrepreneurs may be primarily motivated by the intention to make their business profitable in order to sell to shareholders.[examples needed] In contrast, a lifestyle entrepreneur intentionally chooses a business model intended to develop and grow their business in order to make a long-term, sustainable and viable living working in a field where they have a particular interest, passion, talent, knowledge or high degree of expertise.[6] A lifestyle entrepreneur may decide to become self employed in order to achieve greater personal freedom, more family time and more time working on projects or business goals that inspire them. A lifestyle entrepreneur may combine a hobby with a profession or they may specifically decide not to expand their business in order to remain in control of their venture. Common goals held by the lifestyle entrepreneur include earning a living doing something that they love, earning a living in a way that facilitates self-employment, achieving a good work/life balance and owning a business without shareholders. Many lifestyle entrepreneurs are very dedicated to their business and may work within the creative industries or tourism industry,[7] where a passion before profit approach to entrepreneurship often prevails. While many entrepreneurs may launch their business with a clear exit strategy, a lifestyle entrepreneur may deliberately and consciously choose to keep their venture fully within their own control. Lifestyle entrepreneurship is becoming increasingly popular as technology provides small business owners with the digital platforms needed to reach a large global market. Younger lifestyle entrepreneurs, typically those between 25 and 40 years old, are sometimes referred to as Treps.

Cooperative entrepreneur

A cooperative entrepreneur doesn't just work alone, but rather collaborates with other cooperative entrepreneurs to develop projects, particularly cooperative projects. Each cooperative entrepreneur might bring different skill sets to the table, but collectively they share in the risk and success of the venture.

(6b) LIST OUT THE COMMON REASONS FOR LACK OF ENTREPRENEURSHIP IN INDIA ?

Ans. **Some of the most commonly attributed reasons for the lack of entrepreneurship in India:**

Lack of funding:

Is lack of funding that much of a big deal really ? The cost to do a technology startup has gone down drastically. Reduced hardware costs, bandwidth costs have dropped, cloud computing and open source technologies make it really cheap to launch a technology startup. Unless you are launching a capital intensive business, why should you really need outside funding for doing a startup ?

Look at the Ycombinator model – \$5k – \$10K per startup, which is literally peanuts if you need to survive in Silicon Valley. Why can't Indian entrepreneurs be cheap in a similar way ? Why not bootstrap ?

No Ecosystem:

If you would have made this argument 5 years back, I'd probably have agreed. But over the last few years, the startup ecosystem has improved by leaps and bounds. VC's have entered the Indian market, events and conferences are helping the startup community to network and converge, B- plan competitions on various campuses are raising awareness, an active and vibrant community is forming around entrepreneurship.

Bureaucratic red-tape:

While I agree that some things in this aspect are not as smooth as in other countries. However, most of the entrepreneurs I talked to did not cite this as a major hindrance as part of their entrepreneurial journey. Hire a chartered accountant and he will take care of majority of the initial process of incorporation, taxation and other legalities.

No Product Companies:

I for one don't really buy into this argument. While I agree that product companies may offer long term sustenance value (while current outsourcing focused services companies are simply benefiting from the cost advantage), but then entrepreneurship is still entrepreneurship – be it a services or a product company.

Below are some of the reasons that I personally think have a strong impact on entrepreneurship in India:

Revamping Education:

If you look at the success of Silicon Valley, one of the key factors that was instrumental in shaping it was Stanford & UC Berkeley. Ditto is the case with Israel's Technion. I strongly believe that education, innovation and entrepreneurship go hand in hand – especially technology innovation. While the IIT's have immensely successful alumni, the IIT's have not been able to create a fertile hotbed of innovation & entrepreneurship in their own backyard. At the same time, we need to encourage out of the box thinking as part of our education system. Rote learning can only get us so far. We need to ramp up coursework so that student skills remain in sync with the rest of the market. When Stanford and other universities are teaching iPhone and Facebook app related courses, teaching Cobol & Fortran to Indian students would be stupid in today's age. Students should be encouraged to consider entrepreneurship as a viable career option. I believe this to be the single biggest factor that could foster entrepreneurship in India. Young college graduates are at an age when their inherent risk is at the least to becoming an entrepreneur. Educating them early enough would also give them ample time to shape up their skills and experience that can prepare them for their entrepreneurial journey. We also should make it easy and acceptable for students to take sabbaticals from their degree coursework. Currently, this is frowned upon in Indian society — we should try to make people more accepting of it.

Lack of Good Mentors:

India does not have a large pool of successful entrepreneurs who have built global level companies and are keen on mentoring the next generation of entrepreneurs. From a lot of entrepreneurs that I've talked to — they were more desperately seeking good mentors as opposed to funding.

We probably need someone to lead & pave the way just like what Yossi Vardi did to Israel and what NR Murthy did to the outsourcing market in India.

Lack of M&A activity:

This I say just from the technology market. M&A is just not happening in the Indian market. Consequently, the already existing portals, news sites get a chance to launch their own services without any strong startup getting an opportunity to establish itself.

These are the three things that I think have the biggest impact — but then, there's a good chance that you might disagree. This is a highly subjective topic and everyone has their own conviction about it. I think when it comes to technology entrepreneurship, we should try and do a detailed case study of Israel. The country has just a population of 7 million, hostile neighbors and high taxes. Yet it boasts of the 2nd highest concentration of startups just after the US. They're definitely doing something right. And that's what we should try & emulate.

(7a) LIST THE PROCESS OF PROJECT IDENTIFICATION ?

Ans. Project identification The five major stages of the project cycle are identification, preparation, appraisal, implementation and evaluation. The first two stages are largely the responsibility of government, which may intend to finance a project from its own resources or to seek external assistance, though donor agencies may play an influential role. Viewed as a technical process identification involves, in the following sequence

- Preliminary stakeholder analysis
- Problem analysis
- Setting of objectives
- Analysis of alternatives

- Accountability analysis
- Logical framework thinking
- Analysis of assumptions and associated risks
- Progress indicator definition
- Stakeholder review

(7b) EXPLAIN MARKETING AND SUPPLY CHAIN MANAGEMENT ?

Ans. The **marketing supply chain** is the chain of suppliers that an organization relies on to produce marketing materials (print, [promotional products](#) and [point of sale](#)) to market their products and services.

The marketing [supply chain](#) is often made up of partners inside and outside of the organization – such as brand managers, marketing services, agencies, direct sales teams, buyers, printers, fulfillment houses and many others.

From product brochures and promotional flyers to point-of-sale systems and store signage, each of these supplies must be acquired, managed and distributed to customers, sales teams, branch offices, retail outlets, dealers, distributors and other key audiences around the world.

Flow

Similar to manufacturing environments, marketing supply chains are primarily governed by a process or "flow" that typically involves:

- Creation – identifying and developing marketing materials to meet customer need and/or to support sales initiatives,
- Production – getting materials in their final form either through sourcing, printing or [Web development](#),
- Warehousing – technology, storage strategy, planning,
- Fulfillment – order management, service standards, shipping and tracking use/consumption – how materials are used and displayed in the field and stored based on seasonality or product/service availability,
- Feedback – collecting information for continuous refinement; from inventory reporting, management metrics, field/customer feedback.

Technology

The technology field for meeting the needs to the entire marketing supply chain is still a bit disconnected. A new breed of comprehensive [Marketing Management Platforms](#) are on their way to the market. These platforms enable marketers to give access to their marketing materials to anyone that is responsible for promoting the brand. This could include sales teams, employees, vendors, partners, affiliates or anyone else the marketer determines needs the access. In general these platforms are tasked with the following features:

- Protect the brand, protect the budget and protect the inventory: As marketers open up the access for people to pull marketing materials through automated methods there must be controls in place to ensure they are being used in compliance with the corporate directives.
- Promote the brand; Physically, Digitally and Socially: The platforms must be able to support a number of different mediums to be able to truly handle the entire marketing supply chain.
- Propagate the materials; Quickly, Easily and Efficiently: With complex supply chains these technologies must be able to connect to multiple vendors/manufacturers and ensure they have the ability to quickly produce, procure and fulfill the materials to the targeted destination.

(8a) EXPLAIN CONTENTS OF PROJECT REPORT ?

Ans. Project Report is a **written document** relating to any investment. It contains data on the basis of which the [project has been appraised](#) and found feasible. It consists of information on economic, technical, financial,

managerial and production aspects. It enables the entrepreneur to know the inputs and helps him to obtain loans from banks or financial Institutions.

Contents of a Project Report

Following are the contents of a project report.

General information:

The feasibility report must include the analysis of the industry to which it belongs. The report should deal with description of type of industry, its priority, past performance, increase in production, role of public sector, technology, allocation of funds and information about the enterprise.

Preliminary Analysis of alternatives

The details like gap between demand and supply of proposed products, availability of capacity, list of all existing plants in industry, indicating their capacity, level of production attained, list of present projects and list of proposed projects. All technically feasible options are considered here. Location of plant/ project, requirement of any foreign exchange, profitability, return on Investment, alternative cost calculations etc., are to be presented.

Project Description

The feasibility report should provide a brief description of the technology/process selected for the project, information pertaining to the selection of optimal location, population, water. Land, environment, pollution and other environmental problems etc., are to be provided.

The report should contain details of operational requirements of the plant, requirement of water, power, personnel, land, transport, construction details for plant and offices etc.

Marketing plan:

The details like marketing plan, demand, target price of product, distribution methods etc., are to be presented.

Capital requirements and costs

Information with regard to capital requirement and costs with breakup are to be provided. The estimates should be realistic and based on logical information.

Financial Analysis

Financial analysis is essential to assess the financial viability of the project. A proforma balance-sheet, details of depreciation, clearance for foreign exchange, details of any income tax rebate, incentives for backward areas are to be included.

Economic Analysis

Social profitability analysis is to be made. Impact of the operations on foreign trade, direct costs and benefits are to be included in the report.

Miscellaneous aspects

Depending upon the nature and size of operation of a particular project, any other relevant information may be included in the project report.

(8b) EXPLAIN TYPES OF REPORTS AND METHODS OF REPORT GENERATION ?

Ans. Types of Reports

Type # 1. Formal or Informal Reports:

Formal reports are carefully structured; they stress objectivity and organization, contain much detail, and are written in a style that tends to eliminate such elements as personal pronouns. Informal reports are usually short messages with natural, casual use of language. The internal memorandum can generally be described as an informal report.

Type # 2. Short or Long Reports:

This is a confusing classification. A one-page memorandum is obviously short, and a twenty page report is clearly long. But where is the dividing line? Bear in mind that as a report becomes longer (or what you determine as long), it takes on more characteristics of formal reports.

Type # 3. Informational or Analytical Reports:

Informational reports (annual reports, monthly financial reports, and reports on personnel absenteeism) carry objective information from one area of an organization to another. Analytical reports (scientific research, feasibility reports, and real-estate appraisals) present attempts to solve problems.

Type # 4. Proposal Report:

The proposal is a variation of problem-solving reports. A proposal is a document prepared to describe how one organization can meet the needs of another. Most governmental agencies advertise their needs by issuing “requests for proposal” or RFPs. The RFP specifies a need and potential suppliers prepare proposal reports telling how they can meet that need.

Type # 5. Vertical or Lateral Reports:

This classification refers to the direction a report travels. Reports that move upward or downward the hierarchy are referred to as vertical reports; such reports contribute to management control. Lateral reports, on the other hand, assist in coordination in the organization. A report traveling between units of the same organization level (production and finance departments) is lateral.

Type # 6. Internal or External Reports:

Internal reports travel within the organization. External reports, such as annual reports of companies, are prepared for distribution outside the organization.

Type # 7. Periodic Reports:

Periodic reports are issued on regularly scheduled dates. They are generally upward directed and serve management control. Preprinted forms and computer-generated data contribute to uniformity of periodic reports.

Type # 8. Functional Reports:

This classification includes accounting reports, marketing reports, financial reports, and a variety of other reports that take their designation from the ultimate use of the report. Almost all reports could be included in most of these categories. And a single report could be included in several classifications.

Reporting Methods

Reporting Method # 1. Written Reporting:

Written reporting is the most common mode of reporting. It may be in form of a letter, circular or manual. Written reporting is most popular mode, reason being, reports can be kept as legal records by using this mode and can be used as reference sources. Written reports are always carefully formulated. Written reporting, sometimes saves time and money. However it suffers from poor expression of senders.

Reporting Method # 2. Graphic Reporting:

The reports may be presented in the form of charts, diagrams and pictures. These reports have the advantage of quick grasp of trends of information presented. A look at the chart or diagram may enable the reader to have an idea about the information. In the modern times graphs and charts are becoming more popular as a mode of presenting any kind of information. Various management professionals express their views through graphs and charts. Graphical presentation being most effective medium of reporting removes dullness and confusions which we usually find in other forms of reporting.

Reporting Method # 3. Oral Reporting:

Oral reporting may be done in the following forms:

(a) Group meetings

(b) Conversation with individuals.

Oral reporting is helpful only to a limited extent. It cannot form a part of important managerial decision making. For the purpose, the reports must be in writing so that these may be referred in future discussions too. A combination of written, graphic and oral reporting may be useful for effective and efficient reporting in an organisation.

(9a) EXPLAIN ADVANTAGES AND DISADVANTAGES OF SMALL SCALE INDUSTRIES?

Ans. Advantages or Merits of Small Scale Industries

Small Scale Industries have always played an important role in the economic development of the country. The following are the merits of Small Scale Industries:

1. Potential for large employment

Small Scale Industries have potential to create employment opportunities on a massive scale. They are labor intensive in character. They use more labor than other factors of production. They can be set up in short time and can provide employment opportunities to more number of people. This is important for a labor abundant country like India.

2. Requirement of less capital

Small Scale Industries require less capital when compared to large scale industries. India is a capital scarce country and therefore Small Scale Industries are more suitable in the Indian context. They can be started and run by small entrepreneurs who have limited capital resources

3. Contribution to industrial output

Products manufactured by Small Scale Industries form a significant portion of the industrial output of the country. They produce a number of consumer goods as well as industrial components in large quantities and satisfy the needs of consumers. The consumer goods produced by Small Scale Industries are cheaper and satisfy the requirements of the poorer sections.

4. Contribution to exports

Small Scale Industries contribute nearly 40 per cent to the industrial exports of the country. Products such as hosiery, knitwear, hand loom, gems and jewellery, handicrafts, coir products, textiles, sports goods, finished leather, leather products, woolen garments, processed food, chemicals and allied products and a large number of engineering goods produced by the SSI sector contribute substantially to India's exports. Further products produced by Small Scale Industries are used in the manufacture of products manufactured and exported by large scale industries. Therefore they contribute both directly and indirectly to exports and earn valuable foreign exchange.

5. Earning foreign exchange

Small Scale Industries earn valuable foreign exchange for the country by exporting products to different countries of the world. At the same time, their imports are very little and so there is less foreign exchange outgo. Therefore Small Scale Industries are net foreign exchange earners. For e.g. Small Scale Industries in Tiruppur contribute to a substantial portion of India's textile exports and earn valuable foreign exchange for the country.

6. Equitable distribution

Large scale industries lead to inequalities in income distribution and concentration of economic power. But small scale industries distribute resources and wealth more equitably. It is because income is distributed among more number of workers since it is labor intensive. This results in both economic and social welfare.

Demerits or Disadvantages of Small Scale Industries

Though small scale industries have several [advantages](#) they suffer from the following demerits

Demerits or Disadvantages of Small Scale Industries

1. **Lack economies of scale:** SSI's produce in small quantities. Therefore they **do not enjoy economies of scale** in purchases, production and marketing. Their costs are consequently higher and they are not able to compete with large scale units. They were able to survive when many of the items were reserved for production by SSI's. But after the economic liberalization policy followed by the government, many of the items have been De-reserved. Therefore large scale units can also produce products which were earlier produced only by small scale units. Many of the SSI's have closed down unable to compete with large scale producers and cheap imports from other countries, especially China.

2. **Low wages:** Though SSI's are labor intensive, the **wages paid in SSI's are low** when compared to those paid in large scale industries. In many SSI's because of **lack of safety measures** and proper [training to workers](#), accidents and injuries are common occurrences

3. **Lack of modernization:** Due to their small scale of operations and limited capital resources, SSI's are not able to invest in modernization. They **do not have access to latest technology** and therefore cannot improve their efficiency of operations.

4. **Inefficiency:** Due to lack of scale economies, low skilled and poorly trained workers and usage of outdated technology, small scale industry suffers from **inefficiency of operations**. Their productivity is low when compared to large scale industries.

5. **Overcrowding:** It is quite easy to set up an SSI. The capital requirement is less and procedural formalities are simple. This leads to **intense competition and overcrowding**. It may lead to cut-throat competition affecting their survival.

6. **Sickness:** Due to the ease of setting up and because of the incentives available, many unemployed youth set up SSI's with very little business knowledge and skills. They find it difficult to survive in the business and close down their operations. Further because of the **problems of procuring finance**, use of **outdated technology** and **lack of marketing expertise** many SSI's incur losses and are forced to close down.

(9b) [EXPLAIN DIFFERENT TYPES OF PATENTS ?](#)

Ans. Different types of patent applications exist so that inventors can protect different kinds of inventions. Savvy inventors can utilize the different kinds of patent applications to secure the rights they need to protect their inventions.

There are four different patent types:

- **Utility patent.** This is what most people think of when they think about a patent. It's a long, technical document that teaches the public how to use a new machine, process, or system. The kinds of inventions protected by utility patents are defined by Congress. New technologies like genetic engineering and internet-delivered software are challenging the boundaries of what kinds of inventions can receive utility patent protection.
- **Provisional patent.** United States law allows inventors to file a less formal document that proves the inventor was in possession of the invention and had adequately figured out how to make the invention work. Once that is on file, the invention is patent pending. If, however, the inventor fails to file a formal utility patent within a year from filing the provisional patent, he or she will lose this filing date. Any public disclosures made relying on that provisional patent application will now count as public disclosures to the United States Patent and Trademark Office (USPTO).

- **Design patent.** This patent offer protection for an ornamental design on a useful item. The shape of a bottle or the design of a shoe, for example, can be protected by a design patent. The document itself is almost entirely made of pictures or drawings of the design on the useful item. Design patents are notoriously difficult to search simply because there are very few words used in a design patent. In recent years, software companies have used design patents to protect elements of user interfaces and even the shape of touchscreen devices.
- **Plant patent.** Just what it sounds like, a plant patent protects new kinds of plants produced by cuttings or other nonsexual means. Plant patents generally do not cover genetically modified organisms and focus more on conventional horticulture.

(10a) EXPLAIN STEPS INVOLVED IN SMALL SCALE INDUSTRIES ?

Ans. Steps to start Small scale Industries

Step 1: Decision to be Self-Employed

Step 2: Analyzing Strengths, Weakness, Opportunities and Threats

Step 3: Scanning of Business Environment

Step 4: Training

Step 5: Product Selection

Step 6: Market Survey

Step 7: From of organization

Step 8: Location

Step 9: Technology

Step 10: Machinery and Equipment

Step 11: Project Report Preparation

Step 12: Project Appraisal

Step 13: Finance

Step 14: Provisional Registration

Step 15: Technical Know-How

Step 16: Power and water connection

Step 17: Installation of Machinery

Step 19: Procurement of Raw materials

Step 20: Production

Step 21: Marketing

Step 22: Quality assurance

Step 23: Permanent Registration

Step 24: Market Research

These are 24 steps to start small scale industries in anywhere and they are most important factor whose nobody ignores an successful entrepreneurs.

(10b) EXPLAIN KIADB, KSSIDC ,DIC AND NSIC ?

Ans.

KARNATAKA INDUSTRIAL AREAS DEVELOPMENT BOARD (KIADB)

The Karnataka industrial areas development board is statutory board constituted under the Karnataka industrial area development act of 1996. Since then it is in the business of apportioning land for industries and gearing up facilities to carryout operations. The KIADB now acquires and provides developed land suited for industrialization, by drawing up well laid-out plots of varying sizes to suit different industries with requisite infrastructure facilities. The facilities include roads, drainage, water supply etc. The amenities such as banks, post offices, fire stations, police outposts, ESI dispensaries etc are also provided. It also plans to initiate the provision of common effluent treatment plants wherever necessary. KIADB has acquired a land of 39,297 acres out of which 21,987 acres had been developed till March 1996. Developed industrial plots had been allotted to 7882 units.

Karnataka State Small Industries Development Authority KSSIDC

The State Small Industries Development Corporations (SSIDC) were sets up in various states under the companies' act 1956, as state government undertakings to cater to the primary developmental needs of the small tiny and village industries in the state/union territories under their jurisdiction. Incorporation under the companies act has provided SSIDCs with greater operational flexibility and wider scope for undertaking a variety of activities for the benefit of the small sector. The important functions performed by the SSIDCs include:

- To procure and distribute scarce raw materials.
- To supply machinery on hire purchase system.
- To provide assistance for marketing of the products of small-scale industries.
- To construct industrial estates/sheds, providing allied infrastructure facilities and their maintenance.
- To extend seed capital assistance on behalf of the state government concerned provide management assistance to production units.

DISTRICT INDUSTRIES CENTERS (DIC)

The District Industries Centers (DIC's) programme was started in 1978 with a view to provide integrated administrative framework at the district level for promotion of small scale industries in rural areas. The DIC's are envisaged as a single window interacting agency at the district level providing service and support to small entrepreneurs under a single roof. DIC's are the implementing arm of the central and state governments of the various schemes and prog rammes. Registration of small industries is done at the district industries centre and PMRY (Pradhan Mantri Rojgar Yojana) is also implemented by DIC. The organizational structure of DICS consists of General Manager, Functional Managers and Project Managers to provide technical services in the areas relevant to the needs of the district concerned. Management of DIC is done by the state government.

NATIONAL SMALL INDUSTRIES CORPORATION (NSIC)

The National Small Industries Corporation (NSIC), an enterprise under the union ministry of industries was set up in 1955 in New Delhi to promote aid and facilitate the growth of small scale industries in the country. NSIC offers a package of assistance for the benefit of small-scale enterprises.

1. **Single point registration:** Registration under this scheme for participating in government and public sector undertaking tenders.

2. **Information service:** NSIC continuously gets updated with the latest specific information on

business leads, technology and policy issues.

3. **Raw material assistance:** NSIC fulfils raw material requirements of small-scale industries and provides raw material on convenient and flexible terms.

4. **Meeting credit needs of SSI:** NSIC facilitate sanctions of term loan and working capital credit limit of small enterprise from banks.

5. **Performance and credit rating:** NSIC gives credit rating by international agencies subsidized

for small enterprises up to 75% to get better credit terms from banks and export orders from foreign buyers.

6. **Marketing assistance programme** : NSIC participates in government tenders on behalf of small enterprises to procure orders for them.



Model Question Paper-2 With Answers 18CS51
MANAGEMENT AND ENTREPRENEURSHIP FOR IT INDUSTRY

1 (a) Define management. Explain characteristics of management

Ans. **Management** is a function of guidance and leadership control of efforts of a group or individuals in order to achieve goals of an organization.

The Functions of Management



The functions are goal-directed, interrelated and interdependent.

Planning involves devising a systematic process for attaining the goals of the organization. It prepares the organization for the future.

Organizing involves arranging the necessary resources to carry out the plan. It is the process of creating structure, establishing relationships, and allocating resources to accomplish the goals of the organization.

Directing involves the guiding, leading, and overseeing of employees to achieve organizational goals.

Controlling involves verifying that actual performance matches the plan. If performance results do not match the plan, corrective action is taken.

(b) Explain Henri Fayol's administrative management ?

Ans. Henri Fayol identified 14 principles of management - universal truths that can be taught in schools:

1. Division of work :

Division of work in the management process produce more and better work with same effort. Specialization at all levels to be utilized for greater efficiency.

2. Authority and Responsibility

Right to give orders, and Power to exact obedience. A manager may exercise formal authority and personal power.

3. Discipline:

Discipline is absolutely essential for the smooth running of business.

Obedience to authority , Observance of the rules of services and norms of performance , Respect for agreement , Sincere effort for completing jobs.

4. Unity of Command:

Each subordinate to receive orders from only one superior to avoid confusion.

5. Unity of Direction :

There should be complete identity between individual and organizational goals.

Each group of similar objectives/activities with one Superior, one plan

6. Subordination of individual interest to group interest :

In a business concern, an individual is always interested in maximizing his own satisfaction through more money, recognition, status etc.. This is very often against the general interest which lies in maximizing production. Hence the need to subordinate the individual interest to general interest.

7. Remuneration :

The remuneration paid to the personnel of the firm should be fair.

Fair remuneration increases worker's efficiency and morale and fosters good relationship between employees and management.

8. Centralization :

The management must decide the degree of centralization or decentralization of authority on the basis of the nature of the circumstances, size of undertaking, the type of activities and the nature of organization structure. The objective to pursue should be optimum utilization of all faculties of the personnel. The importance of superior & sub-ordinate roles balanced.

9. Scalar Chain :

Scalar chain means the hierarchy of authority from the highest execution to the lowest one for the purpose of communication. It status superior – subordinate relationship.

10. Order :

To put things in an order needs effort. Management should obtain orderliness in work through suitable organization of men and materials.

11. Equity:

Equity means equality of fair treatment. Equity results from a combination of kindness and justice. Equity ensures healthy industrial relationship between management and labour which is essential for the successful working of the enterprise.

12. Stability of tenure of personnel :

In order to motivate workers to do more and better work, it is necessary that they should be assured security of job by the management.

If they have fear of insecurity of job, they will not have any sense of attachment to the firm and they will always be on the lookout for a job elsewhere.

13. Initiative :

Initiative means freedom to propose a plan and execute it.

Employees should be encouraged to make all kinds of suggestions.

14. Espirit de corps :

This means team spirit. Management should create team spirit among the employees.

Harmony and unity among the staff are a great source of strength to the undertaking.

(c) What are the steps involved in planning? Explain.

Ans. **Steps involved in planning**

1. Set the goals to be achieved.

The first step in planning is to determine the enterprise objectives. These are set by the top managers. Ex. A desired sales volume or growth rate, the development of a new product or service.

2. Establishing the planning premises

Planning premises are certain assumption about the future on the basis of which the plan will be formulated.

Planning premises are important for the success of planning as they reveal facts and information relating to the future such as economic conditions, production costs competition, availability of material, resources and capital, government policies, population trends etc. This tells about which plan is to be carried out. There are three types of planning premises.

(i). Internal and External Premises: Internal premises are premises within the organization. Some of the examples are policies, forecasts, investment, availability of equipment, capability of work force, fund flow etc. External premises are premises outside the organization. They include, Government policies, technical changes, business environment, economic conditions, population, buying power, political stability, sociological factors, demands etc.

(ii). Tangible and Intangible premises : Tangible premises are the measurable premises. For example, population, investment, demand etc. are tangible premises. Intangible premises are those which can not be quantitatively measurable. Examples of this are : business environment, economic conditions, technological changes etc.

(iii). Controllable and uncontrollable premises : Some of the premises are controllable like, technical manpower, input technology, machinery, financial investment etc. Some other premises like strikes, non-availability of raw material, change in government policies, socio-economic changes, phase-shift in technology, wars etc. are uncontrollable by the organization.

3. Deciding the planning period

Businesses vary considerably in their planning periods.

Companies generally base their period on a future that can reasonably be anticipated.

The factors which influence the choice of a period are as follows.

- (a) lead time in development and commercialization of a new product – 1 year for conception, engineering, and 1 year for development of new product.
- (b) pay back time – time required to recover capital investment – for example, if a machine cost is Rs. 10 lakh and generate cash inflow of Rs. 2 lakh a year, its pay back period is 5 years.
- (c) length of commitments already made - a company has agreed to supply goods for 5 years

4. Finding alternative courses of action

This step is to search for and examine alternative courses of action. Product may be sold directly to the consumer by the company's salesmen or through exclusive agencies.

5. Evaluating & Selecting a course of action

Select the best course or courses of action. This is done with the help of quantitative techniques and operation research.

6. Developing Derivative plans

Once the plan has been formulated, its broad goals must be translated into day-to-day operations of the organization. Middle and lower level managers must draw up the appropriate plans, programmes and budget for their sub-units. These are described as derivative plans.

7. Measuring & Controlling the Progress

The process of controlling is a critical part of any plan. Manager needs to check the progress of their plans so that they can take remedial action if necessary to make the plan work or change the original plan if it is unrealistic.

2(a) Define organization. Explain the purpose of organizing. ?

Ans. **Definition :** The process of identifying and grouping of work to be performed, defining & delegating responsibility and authority and establishing relationship for the purpose of enabling people to work most effectively together in accomplishing their objectives.

Purpose of organization :

- i Establish the relationship by giving duties and responsibilities to an individual or group.
- ii Demarcates the authority, responsibility and duties of each individual or group.
- iii It tells each manager where his accountability lies.
- iv It provides adequate communication.
- v It coordinates and control the activities of individuals or groups to achieve objectives.

(b) Explain the process of selection ?

Ans. In order to determine the qualifications needed to meet the requirements of jobs, the company has first of all analyse the jobs, write job descriptions and prepare job specifications.

(i) JOB ANALYSIS :

Job analysis is the process by means of which a description is developed of the present methods and procedures of doing a job.

The information concerning the job can be obtained from a number of sources such as observation of workers, interviews, questionnaire responses, published manuals, bulletins etc. knowledge of the materials of work and actual performance.

(ii) JOB DESCRIPTION :

The results of a job analysis are set down in job description. Writing job descriptions for production workers, clerical people and first-line supervisors is a fairly established practice. A more recent development is job description for managers.

(iii) JOB SPECIFICATION :

A job specification is a statement of the minimum acceptable human qualities necessary to perform a job satisfactorily. Making job description as its base, it lays down the abilities and qualities that a worker should possess in order to hold the job.

In the next step, the company taps various sources of recruitment and selects individuals. There is no standard selection procedure followed by all organizations. The steps commonly followed are :

(i) Application blank

Filling of the application blank is the first step in the process of selection. In this form, applicant gives the relevant personal data such as qualification, experience , etc. The application blanks are carefully scrutinized by the company to decide the applicants who are to be called for interview.

(ii) Initial interview of the candidate

Those who are selected for interview are called for initial interview . This process may helps to get additional information or clarification on the information already on the application blank.

(iii) Employment tests

For further assessment of the candidate's nature and abilities, some test are used in the selection procedure. Psychologist and other experts have developed certain tests by which a candidate's particular traits or abilities , likes and dislikes , intelligent , capacity to learn and to benefit from training, adaptability etc. are estimated. There are several types of tests that are used in selection procedure.

(c) What are the sources of recruitment?

Ans. Sources of RECRUITMENT

The source of recruitment can be classified into two categories : internal and external.

Internal sources refer to the present working force of a company. Vacancies other than at the lowest level may be filled by selecting individuals from amongst the existing employees of the company.

The external sources are as follows .

(i) Re-employing former employees :

Former employees who have been laid-off or have left for personal reasons may be re-employed. These people may require less initial training than that needed by total strangers to the enterprise.

(ii) Friends and relatives of present employees

Some industries encourage their employees to recommend their friends and relatives for appointment in the concern where they are employed.

(iii) Application at the gate

Unemployed persons who call at the gates of the factories are interviewed and those who are found suitable for the existing vacancies are selected.

(iv) College and technical institutions

Many big companies remain in touch with the colleges and technical institutions from where young and talented persons may be recruited.

(v) Employment exchange

An employed exchange is an office set up by the government for bringing together those persons who are in search of employment. Employment exchanges register unemployed people and maintain their records of their names, qualification etc. whenever any vacancies are intimated , the exchange select some persons and forwards their names to the employer for considerations.

(vi) Advertising the vacancy

Whenever the company requires the services of the skilled people , that information may be advertised in the leading newspaper or company websites.

(vii) Labour unions

In companies with strong labour union, persons are sometimes recommended for appointment by their labour unions.

3(a) Explain the requirements of effective direction ?

Ans. 1. Harmony of objectives

For an organization to function well, its goals of company and goals of individuals are in complete harmony. The manager should direct the subordinate to work hard, so that the company's profits may increase, and employees will get additional incentives, bonus, promotion.

2. Unity of command

An employee should receive orders and instructions from only one supervisor.

Otherwise, there may be indiscipline and confusion leading to conflicting orders, divided loyalties and reduced results.

3. Direct supervision

Every supervisor must maintain face-to-face direct contact with subordinates. Direct supervision boosts the morale of employees, increases their loyalty and provides them with immediate feedback.

4. Efficient communication

Communication is an instrument of direction. It is through communication that the supervisor gives orders, allocates jobs, explains duties and ensures performance.

In communication, comprehension is more important than content. How much information is correctly understood by the subordinates is more important than how it is said.

5. Follow-through

The manager should follow through the whole performance of his subordinates not merely to keep track of their activities but to help them in their activities.

(b) Write a note on democratic leadership style with its merits and demerits?

Ans. Democratic leaders allow the team to provide input before making a decision, although the degree of input can vary from leader to leader. This type of style is important when team agreement matters, but it can be quite difficult to manage when there are lots of different perspectives and ideas.

The democratic leadership style, which is also referred to as shared leadership or participative leadership, encourages members of a team to take on responsibilities in decision-making. It is a leadership style that can be used by any leader in any industry, from corporations to educational facilities to government positions.

The trademark of the democratic leadership style is that everyone is encouraged to participate. Ideas are offered freely and without judgment. The goal is to take advantage of the diversity of a team and discuss all ideas, rather than rely on a single person to decide what is best for everyone.

Advantages of a Democratic Leadership

1. It works well when trying to solve a complex concern.
2. It encourages creativity.
3. It strengthens the relationships of a team.
4. It is a leadership style that anyone can practice.
5. It encourages honesty within the workplace.
6. It improves job satisfaction.
7. It encourages stronger commitment levels.
8. It increases team knowledge.
9. It builds a stronger vision for the future.

Disadvantages of a Democratic Leadership

1. It can create negative emotions.
2. It can lead to procrastination.
3. It takes time to reach a consensus.

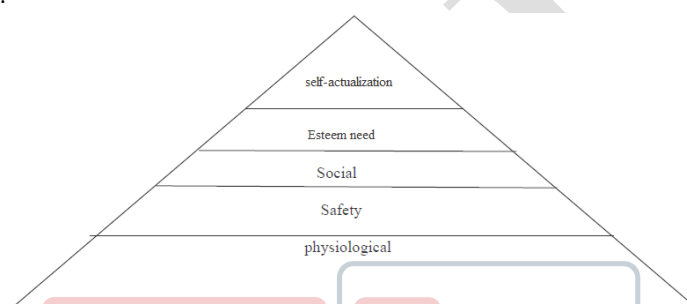
4. It offers an element of continuing uncertainty
5. It is often poorly defined.
6. It does not guarantee the best possible solution.
7. It is not a style of leadership for everyone.
8. It can cause team members to question the capabilities of the leadership.
9. It encourages no one to take responsibility for failure.
10. It requires a certain skill or educational level.

(c) Explain Maslow's need hierarchy theory of motivation.

Ans. Maslow's theory of motivation :

Maslow has suggested that the underlying needs of all human motivation can be organized in a hierarchical manner on five general levels. They are

- i physiological needs
- ii Safety need
- iii Social need
- iv Esteem need
- v Self-actualization .



Physiological needs

Physiological needs include the need for food, water, clothing and shelter.

If these need are not satisfied, other needs will not emerge.

Safety needs :

These are the need for protection against danger or loss of existing physiological needs.

Social needs :

Giving and receiving of love, friendship, affection, association and acceptance.

If the first two levels are fairly well satisfied, then a person becomes keenly aware of the absence of friends and will be motivated toward affectionate relations with people.

Esteem needs :

The esteem need (ego need) which are generally classified into two subsets. The first subset includes the needs for achievement, strength and freedom. The second subset includes the need for status, recognition, and prestige.

Self actualization :

This is the need to realize one's potentialities for continued self-development and the desire to become more and more of what one is and what one is capable of becoming. This is also known as self realization or self attenuation. For example, a musician create music, and artist must paint, a poet must write in order to achieve ultimate satisfaction.

4 (a) Explain the importance of communication?

Ans. Importance of communications :

1. Communication is needed in the recruitment process.
2. Communication is needed in the area of orientation.
3. Communication is needed to enable the employees to perform their function effectively.
4. Communication is needed to teach employees about their personal safety about their jobs.
5. Communication helps the manager in his decision process.

6. Communication helps in achieving coordination.
7. Communication promotes cooperation and industrial peace.
8. Communication increases managerial efficiency
9. Communication is needed to acquaint the subordinates with evaluation of their contributions.
10. Communication is needed in projecting the image of the enterprise in the society.

(b) Explain Herzberg two factor theory ?

Ans. Herzberg's Two-factor theory:

Original study based on the research by Fredrick and Herzberg who interviewed 200 engineers and accountants and were asked about the good times and bad times they think about their jobs.

Out of these interviews two factors emerged called the

I Maintenance factors (Factor 1)

- 1) Fair company policies and administration
- 2) A supervisor who knows the work
- 3) A good relationship with ones supervisor.
- 4) A good relationship with one's peers.
- 5) A good relationship with ones subordinates.
- 6) A fair salary
- 7) Job security
- 8) Personal life
- 9) Good working conditions
- 10) Status

II) Motivators or satisfiers (Factor 2)

- 1) Opportunity to accomplish something significant
- 2) Recognition for significant achievements
- 3) Chance for advancement
- 4) Opportunity to grow and develop on the job
- 5) Chance for increased responsibility
- 6) The job itself.

Some facts about the two factors:

- 1) Motivators are job centered
- 2) Maintenance factors are related working conditions and environmental conditions.
- 3) These two groups of factors are also known as intrinsic and extrinsic rewards.
- 4) These two sets of factors are unidirectional.

c) Describe the steps in controlling process?

Ans. Steps in controlling :

1. Establishing standards

The first step in any control process is to establish standard against which results can be measured. Some key areas in all business organizations are : profitability, market position, productivity, personal development, employee attitude and public responsibility.

Standard may be qualitative or quantitative.

Standards like costs should be reduced, communication is to be faster, goodwill, employees morale etc. are some example of qualitative.

Number of units produced, profit percentage, standard hours, total cost incurred, etc. are some example of quantitative

2. Measuring and comparing actual results against standards

Measurement of performance can be done by personal observation or by a study of various summaries of figures, reports, charts and statements.

Comparison is very easy if the system of control is well defined.

When the actual performance matches with the standards, no corrective action is required. However, if the standard is not achieved, then the management should initiate necessary corrective action.

3. Taking corrective action.

After comparing the actual performance with the standard and noticing the deviations, the next step is to take corrective actions by the managers.

The cause of deviation may be due to ineffective communication, defective system of wages, wrong tools and machines, negligence from worker, lack of training, ineffective supervision, inadequate facilities etc.

Managers may correct deviations by redrawing their plans, or by modifying goals, they may use their authority through reassignment of jobs to others, or by putting additional staff, or providing extra training, better tools and by better leading.

5 (a) Explain various stages in entrepreneurial process ?

Ans. Stages in Entrepreneurial process

Entrepreneurial development process can be explained in five stages.

1. Identifying of an opportunities
2. Evaluation of an opportunities
3. Preparation of the business plan
4. Organizing the resources
5. Management of the enterprise.

1. Identification of opportunity :

The identification of opportunity is from own idea or from external sources like consumers and business associates, members of distribution system, independent technical consultant etc.

Consumers are the best source of ideas for a new venture.

The business associates also give ideas of a product or service

Some government organization and R & D centre are also provide new ideas.

2. Evolution of opportunity

After the opportunity is identified, it must be carefully screened and evaluated. This evaluation allows the entrepreneur to assess whether the specific product or service provides sufficient return on the investment.

The evaluation process involves looking at the length of opportunity, its real and perceived value, its risks and return and so on.

SWOT (strength, weakness, opportunities and threads) analysis is one of the useful analysis tools.

An over all opportunity assessment plan is prepared to evaluate the opportunity.

This step includes

- Description of the product or service
- Agreement of opportunity
- Assessment of the entrepreneur and his team
- Resources needed
- Source of capital needed
- Assessment of the entrepreneur and his team
- Resources needed
- Source of capital needed
- Reward and profit expected

3. Development of a business plan

A good business plan is essential to developing the opportunity and determining the resource required, obtaining those resources, and successfully managing the resulting venture.

To achieve the proposed business opportunity, a well defined business plan needed to be developed.

The business plan should contain the following.

- Title of the project, table of contents and executive summary
- Description of business and industry
- Technology plan
- Financial plan
- Organization plan
- Production and operation plan
- Marketing and distribution plan

4. Determining and organizing resources

The resources needed for addressing the opportunity must be determined. Care must be taken not to underestimate the amount and variety of resources needed. Alternative suppliers of these resources need to be identified.

In order to bring his concept into reality, the entrepreneur has to organize resources. Organizing comes with four categories

- Financial resources
- Operating resources
- Human resources
- Technical resources

5 Management of enterprises

After resources are acquired, the entrepreneur must use them to implement the business plan. The operational problems of the growing enterprise must also be examined. This involves implementing a management style and structure, as well as determining the key for success. A control system must be established, so that any problem can be quickly identified and resolved.

(b) Explain the role of entrepreneur in economic development?

Ans. ROLE OF ENTREPRENEURSHIP IN ECONOMIC DEVELOPMENT

The important role that an entrepreneurship plays in the economic development of an economy can be put in a more systematic manner as follows.

1. Entrepreneurship promotes capital formation by mobilizing the idle saving of the public.
2. It provides immediate large-scale employment. Thus it helps to reduce unemployment in the country.
3. It provides balanced regional development.
4. It helps reduce the concentration of economic power.
5. It stimulates the equitable redistribution of wealth, income and even political power in the interest of the country.
6. It encourages effective resources mobilization of capital and skill which might otherwise remain unutilized and idle.
7. It also induces backward and forward linkages which stimulated the process of economic development in the country.
8. It promotes country's export trade i.e. an important ingredient for economic development.

6 (a) Explain the following i) Market feasibility study ii) Technical feasibility study?

Ans. Market feasibility

Market feasibility is concerned with two aspects the aggregate demand for the proposed product/service, the market share of the project under consideration. For this market analysis requires variety of information and appropriate forecasting methods.

The kind of information required is

- Consumption trends in the past and the present consumption level
- Past and present supply position
- Production possibilities and constraints
- Imports and exports
- Structure of competition
- Cost structure
- Elasticity of demand
- Consumer behavior, intentions, motivations, attitudes, preferences and requirements
- Distribution channels
- Administrative, technical and legal constraints

Technical Feasibility

Technical analysis seeks to determine whether prerequisites for successful commissioning of the project have been considered and reasonably good choices have been made with respect to location, size, and so on. The important questions raised in technical analysis are:

- Has the availability of raw material, power, and other inputs been established?
- Is the selected scale of operation optimal?
- Is the production process chosen suitable?
- Are the equipment and machines chosen appropriate?
- Have the auxiliary equipment and supplementary engineering works been provided for?
- Has provision been made for treatment of effluents?
- Is the proposed layout of the site, buildings and plant sound?
- Have work schedules been drawn up realistically?
- Is the technology proposed to be employed appropriate from the social point of view?

(b) What are the barriers of entrepreneurs?

Ans. BARRIERS TO ENTREPRENEURSHIP

A large number of entrepreneurs particularly in the small enterprises fail due to several problems and barriers. The greatest barrier to entrepreneurship is the failure of success. Karl. H. Vesper has identified the following entrepreneurship barriers:

1. Lack of a viable concept
2. Lack of market knowledge
3. Lack of technical skills
4. Lack of seed capital/fund
5. Lack of business knowledge
6. Complacency—lack of motivation

7. Social stigma
8. Time presence and distractions
9. Legal constraints and regulations
10. Monopoly and protectionism
11. Inhibitions due to patents
12. Lack of good machinery
13. Inability to dream
14. Lack of patience
15. Unwilling to invest money
16. Non availability of Raw materials
17. Unstable and Unpredictable markets
18. Globalization and entry of Foreign Goods.

7 (a) Explain project identification in detail?

Ans. Project identification

A project having good market is generally selected as a project by any entrepreneur. Hence identifying project is a crucial step in any business and plays a vital role. An entrepreneur will have a wide choice of projects.

Project identification is concerned with collection of economic data, compiling and analysing it, to identify the possibility of investment to produce the goods or service for making profit.

Project identification may come from one or other of the following ways.

i. Observation: Observation is one of the very important sources of project idea.

The scarcity (shortage) of a particular product or service may lead to the development of that.

The available of raw material or skill may lead to an idea of utilizing them to produce goods.

Observations of existing processes/products also sometimes leads to new project ideas.

ii. Trade and professional magazines: Trade and professional literature keeps a person in touch with latest developments and trends and also stimulate to develop new ideas.

iii. Bulletins of Research Institutions: R & D bulletins of some institutions also provide some new ideas based on the findings which are published in the bulletin.

iv. Government sources: Departmental publications of various departments of government also provide useful information that can help in identification of new project ideas

(b) What is project report? Explain the guidelines provided by planning commission for preparation of project report?

Ans. Project report

A project report or a business plan is a written statement of what an entrepreneur proposes to take up.

It is a course of action what the entrepreneur hopes to achieve in his business and how is he going to achieve it.

GUIDELINES BY PLANNING COMMISSION FOR PROJECT REPORT

1. General information
2. Preliminary analysis of alternative
3. Project description
4. Marketing plan
5. Capital requirements and cost
6. Operating requirements and costs
7. Financial analysis
8. Economic analysis

1. General information - The report should contain general information regarding the company, past performance of the company, product profile and product details and specification.

2. Preliminary analysis of alternative

This should contain present data and the gap between demand and supply for the outputs which are to be produced.

A complete list of all existing plants in the industry, giving their capacity and their level of production.

All options that are technically feasible should be considered at this preliminary stage. The location of the project and its implications should also be looked in.

3. Project description

The feasibility report should provide a brief description of the technology/process chosen for the project.

Environmental effects of a project should also mention i.e., population, water, land, air, flora, fauna, effects arising out of the project's pollution, other environmental destruction, etc.

4. Marketing plan - It should contain the following items: Data on the marketing plan, demand and prospective supply in each of the areas to be served.

End-users of product (target users), distribution channels, national, international, sales promotion, estimated sales etc. need to be included.

Estimates of the degree of price should be presented. It should contain an analysis of past trends in prices.

5. Capital requirements and cost - The estimates should be reasonably complete and properly estimated. Information on all items of costs should be carefully collected and presented.

6. Operating requirements and costs - Information about all items of operating cost should be collected. Operating costs relate to cost of raw, materials and intermediaries, fuel, utilities, labour, repair and maintenance, selling expenses and other expenses.

7. Financial analysis – financial and fund flow analysis need to be carefully included.

8. Economic analysis: profit, return on investment, break even analysis, market share etc. need to be included.

8 (a) What is ERP. Why ERP is important to a company?

Ans. Enterprise Resource Planning (ERP)

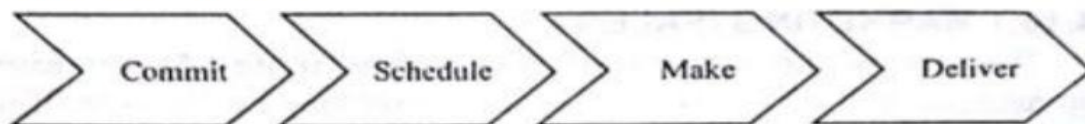
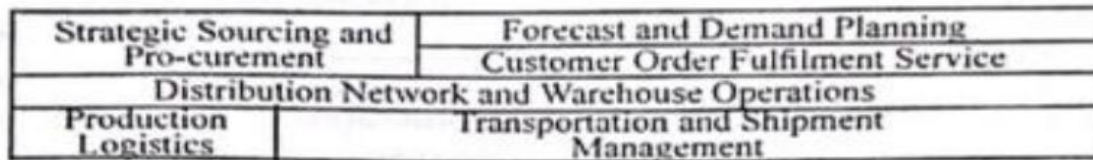
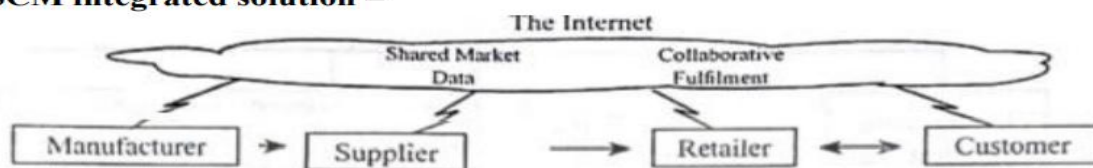
“An Enterprise Resource Planning (ERP) system is a fully integrated business management software that covers functional areas of an enterprise like manufacturing, distribution, accounting, finance, sales, logistic and human resource”

Importance of ERP

- ERP organizes and integrates operational processes and information flows to make optimum use of resources such as men, material, money and machine.
- It provides one database, one application, and one user interface for the entire enterprise.
- It gives a real time view of company's core business processes such as production, order processing, and inventory (Stock) management.
- ERP systems track business resources (such as cash, raw materials), and the status of commitments made by the business (such as customer orders, purchase orders), no matter which department (manufacturing, accounting etc.) has entered the data into system.
- Reduce paper documents by providing online formats for quickly entering and retrieving information.
- Improves timeliness of information by updating data daily instead of monthly.
- Greater accuracy of information with detailed content, better presentation gives satisfactory for auditors.
- Improved cost control.
- Faster response and follow-up on customers.
- More efficient cash collection and reduction in delay in payments.
- Better monitoring and quicker resolution of queries.
- Enables quick response to change in business operations and market conditions.
- Helps to achieve competitive advantage by improving its business process.
- Provides a unified customer database usable by all applications.

(b) Explain supply chain management?**Ans. Supply chain management (SCM)**

SCM helps a company to get the right products to the right place at the right time in the proper quantity and at an acceptable cost. The goal of SCM is to efficiently manage the above process by forecasting (Predict or estimate) demand and controlling inventory. It enhance the network of business relationships of a company with its customers, suppliers, distributors and others. And receiving feedback on the status of every link in the supply chain. The goal of SCM is to create a fast, efficient and low-cost network of business relationships, or supply chain to get a company's products from concept to market. A supply chain is also called as a value chain since each supply chain process should add value to the products or services a company produces. The objective is to significantly reduce costs, increase efficiency and improve their supply chain cycle times.

Supply chain life cycle –**SCM functional processes –****SCM integrated solution –****9 (a) Explain the characteristics of small enterprises?****Ans. Characteristics of SSI**

1. Capital investment is small and most of the SSI's have small number of employees.
2. Generally owned by a single or at the most two persons and engaged in production of small goods. (It is generally a one-man show).
3. The owner himself or herself is a manager, who takes effective participation in all matters of business decision making.
4. Most of them are family owned industries.
5. Funded by owners savings or short term loans.
6. The scope of operation of SSI is generally localized, catering to the local and regional demands.
7. The gestation period i.e., the period after which return on investment starts is relatively lower when compared to large units.
8. Workers are not well recognised and they may do different types of works as need arises.
9. Management and organization are very poor in SSIs.
10. Profit margin is less due to competition.
11. Chances of early closure is more.
12. Generally found in urban or semi-urban areas.

13. Few of them may grow as medium scale industries.

(b) Explain the following : i) DIC ii) KIADB iii) TECSOK iv) KSFC v) NSIC ?

Ans. i) DISTRICT INDUSTRIES CENTERS (DIC)

The District Industries Centers (DIC's) programme was started in 1978 with a view to provide integrated administrative framework at the district level for promotion of small scale industries in rural areas. The DIC's are envisaged as a single window interacting agency at the district level providing service and support to small entrepreneurs under a single roof. DIC's are the implementing arm of the central and state governments of the various schemes and programmes. Registration of small industries is done at the district industries centre and PMRY (Pradhan Mantri Rojgar Yojana) is also implemented by DIC. The organizational structure of DICS consists of General Manager, Functional Managers and Project Managers to provide technical services in the areas relevant to the needs of the district concerned. Management of DIC is done by the state government.

ii) KARNATAKA INDUSTRIAL AREAS DEVELOPMENT BOARD (KIADB)

The Karnataka industrial areas development board is statutory board constituted under the Karnataka industrial area development act of 1996. Since then it is in the business of apportioning land for industries and gearing up facilities to carry out operations. The KIADB now acquires and provides developed land suited for industrialization, by drawing up well laid-out plots of varying sizes to suit different industries with requisite infrastructure facilities. The facilities include roads, drainage, water supply etc. The amenities such as banks, post offices, fire stations, police outposts, ESI dispensaries etc are also provided. It also plans to initiate the provision of common effluent treatment plants wherever necessary. KIADB has acquired a land of 39,297 acres out of which 21,987 acres had been developed till March 1996. Developed industrial plots had been allotted to 7882 units.

iii) TECSOK (Technical Consultancy Service Organization of Karnataka)

These organizations are highly useful to entrepreneurs in providing many services and are found in almost all states. It was established in 1976 by government of Karnataka. Its office is located in Nrupatunga road, Bangalore. It helps entrepreneurs in preparation of feasible reports at a subsidized cost. Nature of Support: Multi-disciplinary: Technical, Industrial and Management Consultancy. Objectives: To provide reliable consultancy support for entrepreneurs to start up selfemployment ventures in Karnataka. → To provide consultancy services to various departments and agencies of state → and central government.

iv) KARNATAKA STATE FINANCE CORPORATION (KSFC):

State Finance Corporation in Karnataka is called Karnataka state finance corporation.

Objectives:

- To cater to financial requirements of small scale units.
- To extend medium and long-term credits to units which fall outside the purview of Industrial Finance Corporation and public-sectors banks.

Functions of SFC's:

- To promote self-employment for professionally qualified men and women entrepreneur interested in starting their own project.
- Financial assistance for expansion, modernization and mechanization in the existing set up.
- Financial assistance for rehabilitation of sick units.

- To provide term loans for purchase of land, building, machinery and other facilities.
- To provide financial assistance for transport vehicle and tourism related activities.
- To arrange EDP and seminars for upcoming Young industrialists.

v) NATIONAL SMALL INDUSTRIES CORPORATION (NSIC)

The National Small Industries Corporation (NSIC), an enterprise under the union ministry of industries was set up in 1955 in New Delhi to promote aid and facilitate the growth of small scale industries in the country. NSIC offers a package of assistance for the benefit of small-scale enterprises.

1. **Single point registration:** Registration under this scheme for participating in government and public sector undertaking tenders.

2. **Information service:** NSIC continuously gets updated with the latest specific information on

business leads, technology and policy issues.

3. **Raw material assistance:** NSIC fulfils raw material requirements of small-scale industries and provides raw material on convenient and flexible terms.

4. **Meeting credit needs of SSI:** NSIC facilitate sanctions of term loan and working capital credit limit of small enterprise from banks.

5. **Performance and credit rating:** NSIC gives credit rating by international agencies subsidized

for small enterprises up to 75% to get better credit terms from banks and export orders from foreign buyers.

6. **Marketing assistance programme :** NSIC participates in government tenders on behalf of small enterprises to procure orders for them.

10(a) Explain the steps in starting a small enterprise?

Ans. Steps in starting a small enterprise

Starting an SSI is a complex job. The potential entrepreneur has to pass through a number of steps to achieve his goal of setting up an SSI.

1. Selection of industry
2. Study of investment requirement
3. Market survey
4. Selection of product
5. Selection of technology - Information on all available technologies should be collected by the entrepreneur and the most suitable one to be identified. This will also be useful to determine the type of machinery and equipment to be installed.
6. Selection of land and premises
7. Study of resource requirement
8. Study of requirement of plant and equipment
9. Study of requirement of raw material and sources of supply
10. Analysing strengths, weaknesses, opportunities and threats (SWOT analysis)
11. Scanning of business environment - In order to ensure success of enterprise, entrepreneur should scan the business opportunities and threats in the environment. He should study the administrative framework, procedures, policies, rules and regulations and other formalities implemented by the government.
12. Preparation of project report
13. Application to financial institution for loan
14. Application to directorate of industries for NOC (No Objection Certificate), Registration as SSI.

15. Get NOC and permission from local body (municipality / village / panchayat / corporation)
16. Apply for power and water connection
17. Recruitment of manpower
18. Order for plant and machinery
19. Order for raw materials
20. Install the machinery
21. Trial run
22. Production and sales
23. Profit and pay creditors
24. **Market research** - Once the product or service is introduced in the market, there is strong need for continuous market research to assess needs and areas for modification, upgradation and growth.

(b) Discuss case study of Microsoft?

Ans Microsoft

No single innovation in recent memory has created more millionaires so quickly than the personal computers. These millions have come not only by the making of personal computer but also from supplying the chips that go into them and from supplying the software that is needed to run them.

Manufacturers such as Compaq, Dell, Apple and HP who make personal computers.

Suppliers such as Intel, Cyrix, AMD, Toshiba and others who supply chips, disk drives, and other components that go into the personal computer.

Complementary innovators such as Microsoft, IBM, Oracle etc. who supply software's.

Microsoft was founded by Bill Gates and Paul Allen in 1975.

Their first successful products were compilers for the computer programming languages BASIC, COBOL, and FORTRAN which programmers used to write software's.

Their biggest break comes in 1980, when IBM decided to enter the personal computer market and went to Microsoft for help. They wanted Microsoft to develop the programming languages BASIC, FORTRAN, and COBOL for the upcoming PC and also an operating system.

Microsoft bought an operating system called Q-DOS (Quick and Dirty Operating System) from Seattle Computers, Japan for \$50,000. And sold it to IBM for \$186,000.

But they didn't take entire amount instead they made an agreement on licencing a product.

Bill Gates knew that good IBM products were usually cloned. So in the contract selling operating system to IBM, Microsoft made sure that IBM had the right to sell its own PCs with the modified Q-DOS in them, but not the right to license DOS to other makers of personal computers. That right belonged to Microsoft.

As it turned out, Microsoft was right. Many firms decided to clone the IBM PC and Microsoft could sell its operating system to them.

Microsoft had one problem: CP/M-86. This was a competing operating system developed by IBM in August 1981 had been offered as an alternative operating system for PC and considered superior in performance through its memory management and other features. But Microsoft was the leading producer of languages such as BASIC, COBOL, and FORTRAN for PCs. These languages ran only on DOS but not on CP/M-86. When it gets an offer to

deliver such languages for CP/M-86, Microsoft Priced them 50% higher than comparable languages running on its DOS. The version of BASIC that Microsoft sold for CP/M-86 which has graphics in it. Since these languages were the major tools that software firms used in the development of applications.

