Unit 1 – Introduction to Entrepreneurship and Start–Ups

1. Definition of entrepreneur?
2. Definition of entrepreneurship ?
3. Characteristics of Entrepreneurship or Qualities of Successful Entrepreneur
4. Role of Entrepreneurship OR Need of Entrepreneurship Development for Indian economy.
5. Explain the Traits or quality of entrepreneur ?What are the Benefits of Entrepreneurship to society and person?
6. Definition of Intrapreneurship
7. Characteristics of Intrapreneurship
8. Importance of Intrapreneurship
9. Advantages of Intrapreneurship
10. What are the Hurdles in Intrapreneurship?
11. What are the difference between manager and entrepreneur?
12. What are the Forms of Business Organization?
13. Explain Sole Proprietorship -Characteristics
14. Explain Partnership firm?
15. Explain -Joint stock company
16. Explain -Co-operative societies

Unit 2 – Business Ideas and their implementation

17. Business Ideas and their implementation
18. Introduction business idea?
19. What is Business Idea Definition?
20. What are the Feature of Business Idea?
21. What are the factors affecting on selection of a business idea?
22. Business Ideas – 3 Aspects to be Considered?
23. What are the source of Business Ideas? Detail ?
24. What are the source of Business Ideas? Short?

Unit 3 – Idea to Start-up

25. What is a market analysis?
26. What are the Barriers in competition?
27. What are the types of competition?
28. What is Marketing
29. What are the four 4Ps of business
30. What is a risk?
31. What are the type of business risk?
32. How will you prepare- a risk management plan in business?
33. How will you Manage the risk in the business?

Unit 4 – Management

34. What is Management?
35. What are the Levels of Management?

Sharad Ganjegaonkar
8980147950 PIET DS ASH DEPARTMENT

36. What are the Functions of Management?
37. What is Organizational structure? Explain its type ?
38. What is Talent Management?
39. What is Recruitment?
40. What is Financial Management?
41. What is the Scope/Elements of finance management?
42. What are the Objectives of Financial Management?
43. What are the Functions of Financial Management?
44. What are the Financing methods available for start-ups in India?
45. List out type of bank for financing loan to startups
46. What is role of Commercial Bank in business startups?
47. Explain the role DIC district industries centre for startups in India?

Unit 5 - Financing and Protection of Ideas

48. What is Investors Pitch – meaning and technique to attract investor in our business idea?
49. What are the 5 requirements for obtaining a patent?
50. What is the benefit of Patent to researcher and society?

Unit 6: Exit strategies for entrepreneurs,

51. What is bankruptcy,What is the reason of bankruptcy?
52. What is exit strategy?
53. What are the importance of exit strategy?
54. Why some businessman exits from their business?
55. What is the reason of failure of business?
56. What is succession in business?

Unit-1– Introduction to Entrepreneurship and Start–Ups

01- Definition of Entrepreneurship:
Entrepreneurship is the ability and readiness to develop, organize and run a business enterprise, along with any of its uncertainties in order to make a profit. The most prominent example of entrepreneurship is the starting of new businesses.

The entrepreneurial vision is defined as risk-taking and is an indispensable part of a nation's capacity to succeed in an ever-changing and more competitive global marketplace.

02 Definition of Entrepreneur:
The entrepreneur is defined as someone who has the ability and desire to establish, administer and succeed in a start-up venture along with risk entitled to it, to make profits. The entrepreneurs are often known as a source of new ideas or innovators, and bring new ideas in the market by replacing old with a new invention.
In a nutshell, anyone who has the will and determination to start a new company and deals with all the risks that go with it can become an entrepreneur.

03-Characteristics of Entrepreneurship or Qualities of Successful Entrepreneur

1. Flexibility – He should not be rigid. He must be adaptable to changing environments because the economic, political, legal, social & technological environment keeps on changing.
2. Foresight – It means trying to estimate future events. It exposes future uncertainty. The quality of an entrepreneur's foresight should be good & it must depend on intelligent guesswork. It helps in preparing oneself for the forthcoming situation.
3. Optimistic – He should be optimistic about the results of business efforts. This develops self-confidence & favourable approach to adversities.
4. Risk Taker – Business investment is a risky situation. The entrepreneur has to take the risk if he wants to do business. He must be able to take high risks for high returns.
5. Resourcefulness – It is a quality of a person to manage whatever is available when there is a scarcity of time or resources.
6. Managerial Competence – Like a manager he should have skills of planning, organizing, directing & controlling. He must be capable of getting work done by others.
7. Initiative – He must be capable of taking lead in trying new creative ideas for the success of the organization. He should be a leader than a follower.
8. Creativity – He must be able to identify opportunities in changing environments. He must be able to produce the same product in different ways so that it can be made available in the market at affordable prices.
9. Assertive – The entrepreneur must be positive towards issues arising before him. This helps in solving them immediately before they turn into serious problems.
10. Quick Decision Taker – Entrepreneur finds opportunity & quickly implements new ideas before others try them. Here he has to be very quick in taking decisions.
11. Enterprising nature
12. Positive outlook for life and problems

04- Role of Entrepreneurship OR Need of Entrepreneurship Development for Indian economy.

Entrepreneurship Development is a driving force for economic progress of any country. Entrepreneurship Development is necessary for following reasons:

1. Optimum use of scarce resources – He uses solar energy, land, coal, water etc.which are scarce (limited) resources.
2. Creation of employment opportunities – Entrepreneur starts new organization and thus generates jobs for others.
3. Technology & Innovation – He applies & commercializes new technology like solar technology, wind technology, nuclear technology etc.
4. Improvement in standard of living – Entrepreneurs creates variety of products to satisfy various human needs and thus improve their standard of living.
5. Economic co-operation – he earns money foreign currency for India by exporting. He makes country's economy strong by paying taxes.
6. Cultural changes & development – He prompts exchange of culture & work for upliftment of mankind.

05-What are the Importance of Entrepreneurship

- **Creation of Employment-** Entrepreneurship generates employment. It provides an entry-level job, required for gaining experience and training for unskilled workers.
- **Innovation-** It is the hub of innovation that provides new product ventures, market, technology and quality of goods, etc., and increase the standard of living of people.
- **Impact on Society and Community Development-** A society becomes greater if the employment base is large and diversified. It brings about changes in society and promotes facilities like higher expenditure on education, better sanitation, fewer slums, a higher level of homeownership. Therefore, entrepreneurship assists the organisation towards a more stable and high quality of community life.
- **Increase Standard of Living-** Entrepreneurship helps to improve the standard of living of a person by increasing the income. The standard of living means, increase in the consumption of various goods and services by a household for a particular period.
- **Supports research and development-** New products and services need to be researched and tested before launching in the market. Therefore, an entrepreneur also dispenses finance for research and development with research institutions and universities. This promotes research, general construction, and development in the economy.

06-Traits of an Entrepreur

Everybody has their own path to success. However, there are a few common traits and characteristics that all successful entrepreneurs have in common. Let us take a look at a few such traits.

1. Vision and Passion An entrepreneur must have a very clear vision of his business. So he must have the ability to plan out his long term and short term goals and objectives. He has to be able to map out his future plans in an articulate and efficient manner.
2. Another very important trait necessary in an entrepreneur is that he must be passionate about his work. Entrepreneurship is hard work and long hours, so he must be passionate about what he is doing. Such passion can translate into hard work and success.
3. Innovative-One of the main characteristics of entrepreneurship is innovation. The entrepreneur looks for the opportunity in the market and capitalizes on it. He is the one who introduces new products and services in the market trying to fulfil customer needs. The innovation can also be in a production process, new marketing strategy, innovative advertising etc
4. Leader-One of the other important qualities of a successful entrepreneur is leadership. All good entrepreneur are good leaders. They have the ability to motivate and lead their employees to success. They also have the tenacity, knowledge, and skill to pull their businesses from a tight corner like good leaders.
5. Risk Taker-A risk is an integral part of any new business. But it is an especially important factor in entrepreneurship because here the entrepreneur bears the entire risk of the business. So it is necessary that the entrepreneur has an adventurous and risk-taking personality.
6. Ethics and integrity are the cornerstones of any successful business in the long term. A sustainable business cannot be run by someone with compromised morals. So any credible business must have at its head an ethical entrepreneur who upholds the letter of the law and the integrity of the business.
7. Competitive Spirit-The business world is a very cut-throat space. Thousands of new businesses born and die every day. So the competition is always going to be fierce and intense. Such an environment is better suited to someone who is already competitive by nature and thrives in such situations of pressure.
8. Resilient -And finally one of the most important traits in a successful entrepreneur is resilience. There is no smooth straightforward path to success
9. Creativity: An entrepreneurship primarily focuses on the identification of the opportunities from the changing environment. Such exercise presupposes the creativity and innovativeness I a person. The divergent fluency of the creative human mind has made varied products available to the humanity at an affordable price and helped in improving the standard of living of the society.
10. Assertive : An entrepreneur should be assertive towards the different issues arising during the tenure of the business enterprises. The assertive approach enables him to attend any issue immediately before it becomes a garage issue. He takes up and manages any issue as and when it arise in the organization.
11. Positive Outlook :For bringing a success to an idea, an entrepreneur is supported to develop positive attitude towards every issue. With such a quality, he is able to handle every event-favourable or unfavourable in a reasonably successful manner.
12. Perseverance: The perseverance quality refers to reasonable tolerance towards unfavourable events. He waits and manages an unfavourable events, in a whatever possibility he can.

13. Enterprising nature: This is a prime quality required in an entrepreneur. He takes risk is putting resources in an untried area of activity involving high degree of uncertainty as regards the outcome from the investments. As the investments of resources are certain and the returns are uncertain, he takes a risk like a mariner – a game of windfall again versus bankruptcy. Thus, most of the entrepreneurial projects are venture some in nature.
14. Quick decision-maker (Q): An entrepreneur is an opportunity finder he has to be very quick in implementing the novel ideas before they are tried by others. He strives to test the idea and its commercial application before somebody else enters the field. Such things can be possible only by a person who is very quick decision-maker. In a business world sometimes delay becomes dangerouss.

06- Benefits of Entrepreneurship

1. The growth of Managerial Abilities

One of the biggest and most significant benefits of entrepreneurship is that it helps in the identification and development of managerial talent.So an entrepreneur weighs his options, analysis his choices and chooses the best alternative. This is the crux of decision making.

2. Creation of Businesses/Organisation

Entrepreneurship is esdecision-makingsentially a business owned entirely by one person. And the majority of these businesses are actually single handly run by the entrepreneurs themselves. So they assemble and coordinate their factors of production.

3] Promotes Better Standard of Living

One very important factor of entrepreneurship is that they help fulfil all the customer needs and luxuries in society.

4] Economic Development

Entrepreneurs play a very important role in the national economy of any country. They are the spark that ignites the flames of economic development in a country.

07-Definition of Intrapreneurship

An intrapreneurship is a phenomenon of empowering the employees within the organization, by valuing their ideas and converting them into a profit-making model for the business. The organization would bear the associated risk and loss if the intrapreneur’s project failed.

An intrapreneur is an inside entrepreneur, or an entrepreneur within a large firm, who uses entrepreneurial skills without incurring the risks as-sociated with those activities. Intrapreneurs are usually employees within a company who are assigned to work on a special idea or project, and they are instructed to develop the project like an entrepreneur would. Intrapreneurs usually have the resources and capabilities of the firm at their disposal.

08-Characteristics of Intrapreneurship

Intrapreneurs are often falsely conceptualized as entrepreneurs. Yes, they are entrepreneurs, but in the skin of employees.

Let us now read below the features of intrapreneurship to go through this concept in detail:

- Diversification: Intrapreneurship promotes teams with people of different gender, age groups, culture and fields.
- Innovative Approach: It is a creative initiative for the progress of both the employee and the company.
- Restoration Concept: An intrapreneur adds value to an existing company by improving the products, services, methods or perceptions.
- Mutual Benefit: Through intrapreneurship, an employee achieves empowerment and self-actualisation; and the company also grows remarkably.
- Calculated Risk: The risk involved in an intrapreneur's project is well analyzed and planned before it is onboard.
- No Investment by Intrapreneur: The intrapreneur is the brain behind the idea but need not put even a penny into the project. The company funds it at every stage of business.
- Profit-Sharing Agreement: In many organizations, a profit-sharing agreement is signed mutually between the company and the employee.

09-Importance of Intrapreneurship

The present-day market is highly volatile. Constant improvement and creative inputs have become quite essential for companies to stay in the competition.

Intrapreneurs have the solution to many such problems. Let us now see how can intrapreneurship help:

- Penetrate New Markets: An intrapreneur's idea sometimes lead to availing of the business opportunities prevailing in the new or existing market.
- Employee Empowerment: The company can strengthen its bond with the workforce by granting them authority along with responsibility.

• Optimum Human Resource Utilization: Intrapreneurship provides an opportunity to the employees for outperforming their key responsibility area.

• Economic Stability: It is also undertaken to address market instability and economic downturns through rapid innovation.

• Innovative Growth: Idea generation is the basis of development. Thus, to nurture an entity well, intrapreneurs play a significant role in the business.

10-Advantages of Intrapreneurship

In intrapreneurship, companies grow because of and with their valuable human resource. Some of its benefits are discussed below:

• Initiates Idea Sharing: An intrapreneur may provide a different perspective than that of the management. This idea can act as a robust input for the company.

• Identifies Employee Potential: An employee has a lot of capabilities which can be explored by bringing out the intrapreneur within him/her.

• Provides Competitive Edge: Intrapreneurs are considered to be a highly efficient workforce who have excellent problem solving and competitive skills.

• Develops Leadership: Intrapreneurs emerge as leaders when they are given a proper chance and thus, can set examples for other employees too.

• Ensures Employee Engagement: It is a pragmatic way of keeping the employees immersed in their work, thinking innovative solutions to every problem and evolving as intrapreneurs.

• Brings a Positive Change: Innovative ideas and analytical thinking is mostly assertive for the company's development and progress.

11-What are the Hurdles in Intrapreneurship?

When an organization head towards adopting intrapreneurship as a part of its corporate culture, the following barriers may arise on the way of making such improvements:

Multiple CEOs: If a company has more than one CEO with different mindsets, then the employee may not get equal support from each one of them, for intrapreneurship practice.

Cultural Issues: Many of the other employees who do not take intrapreneurship seriously or keep themselves away from such practice may raise problems.

Talent Acquisition Problems: Identifying an intrapreneur within an employee is a challenging task for the human resource department.

Adverse Market Response: The consumers sometimes feel that the innovated product fail to meet their requirements.

.

12 -The Difference between Manager and an Entrepreneur:

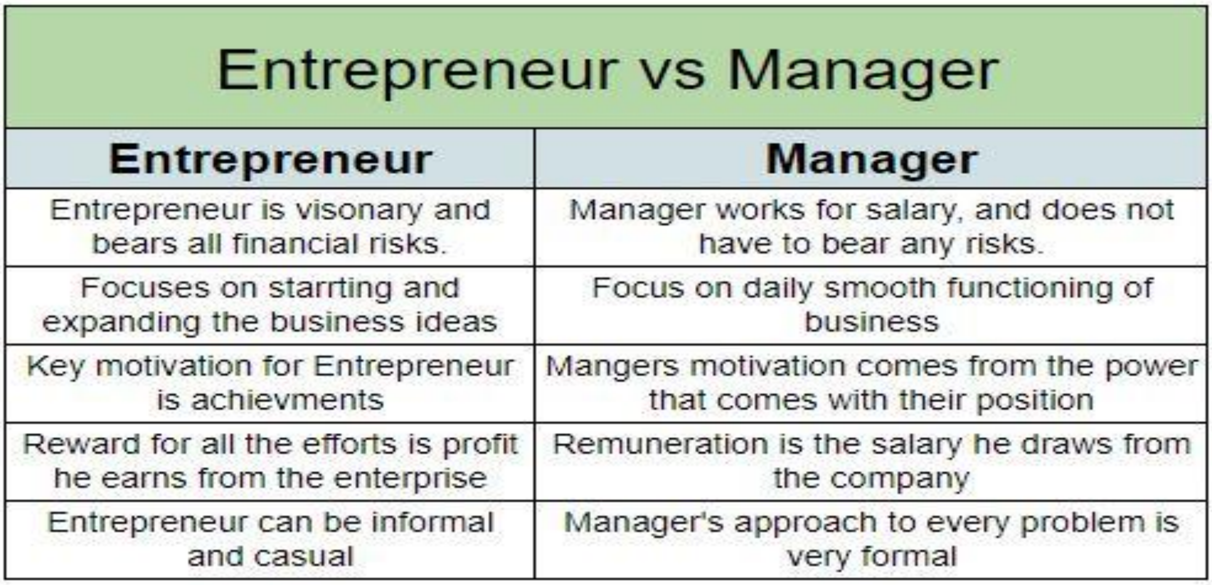
Who is a Manager?

A manager, on the other hand, is not an owner of an enterprise. Instead, he is the one that is responsible for the management and administration of a group of people or a department of the organization. His day to day job is to manage his employees and ensure the organization runs smoothly.

A manager must possess some of the same qualities as an entrepreneur, like leadership, accountability, decisiveness etc. He must also be a good manager of people. So qualities such as warmth and empathy are also very important in a manager.

Now that we have a brief idea about their qualities and roles, let us take a look at the difference between them

Difference between entrepreneur and manager



Entrepreneur vs Manager

Entrepreneur	Manager
Entrepreneur is visonary and bears all financial risks.	Manager works for salary, and does not have to bear any risks.
Focuses on starrting and expanding the business ideas	Focus on daily smooth functioning of business
Key motivation for Entrepreneur is achievments	Mangers motivation comes from the power that comes with their position
Reward for all the efforts is profit he earns from the enterprise	Remuneration is the salary he draws from the company
Entrepreneur can be informal and casual	Manager's approach to every problem is very formal

13-What are the Forms of Business Organization?

a. Sole Proprietorship
b. Partnership firm
c. Joint stock company
d. Co-operative societies

14 -Explain Sole Proprietorship -Characteristics

1. Only a single person do business activity
2. Oldest & simplest form of organization
3. Also called “sole trading concern”
4. Single owner brings capital.
5. single handed management & control
6. Unlimited liability.
7. results are borne by single person
8. Quick decision making.

Advantages

1. Simple formation & easy dissolution
2. Quick decisions
3. Secrecy is maintained
4. Single claim or profits
5. Simple management
6. Personal contacts with employees & customers

Disadvantages

1. limited capital
2. no specialization
3. unlimited liability risking private property
4. immature & hasty decisions
5. loss bearing by single person
6. limited life span
7. dependence on one person

15 – explain Partnership firm?

Characteristics

1. Association of 2 or more persons in a business activity
2. Agreement may be mutual or legal
3. Lawful business need less law to follow.
4. profit sharing
5. Mutual agency

Advantages

1. simple formation

2. large capital
3. division of labor
4. division of business risk
5. matured & quick decision
6. business secrecy
7. flexible operations
8. simple dissolution

Disadvantages

1. limited capital
2. unlimited liability
3. absence of good management
4. limited life span
5. mutual conflicts
6. transfer of capital & share in difficult
7. lack of public confidence

16 -Explain -Joint stock company

Characteristics

1. Special type of corporate body established under companies act 1956

2. company is an artificial person having separate legal identity.

3. like natural person it can own & manage assets, can sue and be sued in court of law.

4. huge capital of company is divided into small denomination of equal value which is called equity shares

Advantages

1. huge capital from public
2. limited liability
3. long life span
4. large scale activities
5. division of risk among large number of share holders
6. easy transferable shares
7. move credit in business circles
8. huge employment opportunities
9. improve standard of living of people

Disadvantages

1. complex legal formalities
2. lot of manipulations & exploitation

3. delayed decision making
4. lack of initiative & personal interest,\
5. high cost of management due to careless & wasteful expenses

17- Explain -Co-operative societies

Characteristics

1. It a is voluntary association of persons for the attainment of their economic interest
2. Corporate body registered under co-operative societies act. It enjoys separates legal identity like company
3. the primary objective is not profit but to provide services to its members by conducting economic activities

Advantages

1. huge capital from share holder
2. limited liability
3. long life span
4. large scale activities
5. division of risk among large number of share holders
6. easy transferable shares
7. move credit in business circles
8. huge employment opportunities
9. Exam Amul dairy

Disadvantages

1. 01 Complex legal formality
2. 02 Lot of manipulations & exploitation
3. 03 Delayed decision making
4. 04 Lack of initiative & personal interest
5. 05 High cost of management due to careless & wasteful expenses

Unit 2 - Business Ideas and their implementation

18-Introduction business idea?

A promising venture always starts with a brilliant business idea. Successful entrepreneurs are innovators or problem resolvers who come with ideas to fill the potential gaps in the market or handle an existing scenario with an alternative outlook to find the better and cheaper way of doing the things

19-what is Business Idea Definition?

In Webster's dictionary, "an idea means what exists in the mind as a representation (as of something comprehended) or as a formulation (as of a plan)."

An idea is the content of cognition or the main thing one is thinking about or intends to do. An idea may apply to a mental image or formulation of something seen or known or imagined, to a pure abstraction, or to something that exists in the mind of a person.

The celebrated economist, Joseph Schumpeter perceived an entrepreneur as a person having the willingness and the ability to convert a new idea or invention into a successful innovation. Those idea which have a value to the investor, customer and capable of generating a revenue model for a business, are business ideas.

20- What are the Feature of Business Idea?

Unless an idea meets certain prerequisite, it cannot be termed as business idea.

Following are the characteristics of a sound business idea:

1. Fulfils a customer need – a problem is solved
2. Clear focus
3. Innovative
4. Unique
5. Sustainable
6. Profitable in the long term

The development of new products and/or services usually focuses on improving "customer's satisfaction". Successful implementation of a business idea eventually leads to lowering of cost, while also passing on the benefits to the consumers in terms of lower product prices.

Business Ideas – Need

The business idea must be relevant to the entrepreneur. It should be based on a fact that the entrepreneur should be able to sell the product/service at a profit.

21- What are the factors affecting on selection of a business idea?

1. Enable entrepreneurs to utilize their skills. An entrepreneur may have technical, market, or any other skills. This gives much greater confidence in entering the market.

2. Enable the use of locally available raw materials for products or services. As compared to imported materials local materials are easy to procure and convert.

3. Help entrepreneurs make products that have a demand, but are not freely available in the market. It is potentially a good idea to start with a product that can be sold. In this case the entrepreneur has only to learn production technology and locate the sources of raw material.

4. Enable use of any technical know-how of the entrepreneur or some specific machines, the entrepreneur is familiar with. If an entrepreneur has knowledge of some special manufacturing techniques, because of previous experience or otherwise it is easier for the entrepreneur to manufacture the product.

5. Enable the entrepreneur to solve a current problem existing in the market. Products may be available in the market but do not meet the demand fully or in a satisfactory manner. Sometimes an existing product is used in combination with another, which is not available. Attempts to solve such market problems do give rise to business ideas.

22-Business Ideas – 3 Aspects to be Considered

To persuade an investor to park the funds into a business idea, the following aspects should be considered:

1. End User's Benefit:

An entrepreneur should introspect and ask what the real customer benefit is, and what problems will be solved through his product or service? The key to marketing success is not ingenious product – rather it is the satisfied consumer. People buy products services to satisfy a need, or to solve a problem, e.g., food and drink, home, clothes or movie tickets-something that makes work easier, or enhancing their wellbeing or self-esteem, etc.

The first vital aspect of a successful business idea is to clearly describe what need will be catered to and how, i.e. in which form it will be catered to. This is also referred as a "Unique Selling Proposition" (U.S.P) by marketing practitioners.

2. Market:

A business idea can succeed only when it has commercial value, i.e. when the market accepts it. The second important aspect of a successful business idea is to identify how big the target market is for the product or service offered and how it differentiates itself from the products and services of competitors.

3. Revenue Mechanism

The business idea should clearly reflect the manner in which the revenue will be earned along with the quantum of revenue to be earned by selling the product or service. The business so set up on the basis of such an idea, should not only be profitable but also sustainable in line with the legal, social and environmental challenges and expected compliances with the relevant laws.

23 What are the source of Business Ideas? Detail ?

.

1, Observing Markets

1. Careful observation of markets can reveal a business idea. Market surveys can also reveal the demand and supply position for various products. It is necessary to estimate future demand and to take into account anticipated changes in fashions, income levels, technology, etc. In this connection, it will be useful to ascertain whether the demand is elastic or inelastic and whether the product is repeat purchase or not.

2. Prospective Consumers

Consumer knows best what he wants and the habits/tastes which are going to be popular in the near future. Contacts with prospective consumers can also reveal the features that should be built into a product/service. These days' good business firms generally conduct a survey among prospective consumers before choosing the product to be manufactured.

3. Developments in other Nations

People in underdeveloped countries generally follow the fashion trends of developed countries. For example, video, washing machines, micro ovens, etc. which are now the 'in things' in India were being used in the United States and Europe before the eighties.

4-Study of Project Profiles

Various Government and private agencies publish periodic profiles of various projects and industries. These profiles describe in detail the technical, financial and market requirements and prevailing position. A careful scrutiny of such project profiles is very helpful in choosing the line of business.

5 -Government Organisations

Several Government organizations nowadays assist entrepreneurs in discovering and evaluating business ideas. Development banks, state industrial

development/investment corporations, technical consultancy organizations, investment centers, export promotion councils, etc. provide advice and assistance in technical, financial, marketing and other areas of business.
The government also identifies the priority sectors for investment through five-year plans, industrial policy resolutions, and guidelines for the industry. In this connection government publications on trade and industry can also be helpful in discovering business ideas. Items reserved for the small sector will also indicate the potential areas.

6. Trade Fairs and Exhibitions
National and international trade fairs are a very good source of business ideas. At these fairs, producers and dealers in the concerned industry put up their products for display and/or sale. A visit to these fairs provides information about new products/machines. Negotiations for the purchase, production, collaboration, dealership, etc. may also be made at these fairs.

7. Attending Motivation Campaigns:

Entrepreneurial programs are organised periodically by the Public Sector Commercial banks, Industrial and Technical consultancy organisations, Small Industries Service Institute and the District Industries Centres individually and in association with one another where also advice and guidance are made available to the Interested participants/potential entrepreneurs.

23 What are the source of Business Ideas? Short?

1. Observing the problems in the society
2. Discussion with other people
3. Looking through books
4. Visiting shops and attending trade shows
5. Information from Research institutes
6. Brainstorming.

Unit 3 – Idea to Start-up

24-What is a market analysis?

A market analysis is a quantitative and qualitative assessment of a market. It looks into the size of the market both in volume and in value, the various customer segments and buying patterns, the competition, and the economic environment in terms of barriers to entry and regulation.

How to do a market analysis?

The objectives of the market analysis section of a business plan are to show to investors that:

- you know your market
- the market is large enough to build a sustainable business

25- What are the Barriers in competition?

- Investment (a project that requires a substantial investment)
- Technology (sophisticated technology a website is not one, knowing how to process uranium is)
- Brand (the huge marketing costs required to get to a certain level of recognition)
- Regulation (licences and concessions in particular)
- Access to resources (exclusivity with suppliers, proprietary resources)
- Access to distribution channels (exclusivity with distributors, proprietary network)
- Location (a shop on Regent's Street)

26**-What are the types of competition?**

There are 4 types of competition –

1. Pure competition,
2. monopolistic competition,

Pure competition –

No barriers to competition and large number of suppliers. There are large number of sellers, and customers have a wide variety of brands to select from. Mostly the prices are set basis the economy of target market or markets. The customers buy the product basis the availability. They will prefer buying the product from a nearest location. Organisations have limited control over price. A change in price will enable customers to switch to a competitor product. The price is determined by supply and demand factors. For example, agricultural products, and cigarettes.

Monopoly – High barriers to entry and the market is dominated by one large company. The organisation has a say on setting the price. It can be because of exclusive rights to raw-materials, patent, government policy. For example, railways and electricity supply in India, many drug manufacturers have patent on their medicines, Microsoft windows operating system.

27 What is Marketing

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

28- What are the four 4Ps of business?

1. Product (or Service).
2. Place.
3. Price.
4. Promotion.

A good way to understand the 4Ps is by the questions that you need to ask to define your marketing mix. Here are some questions that will help you understand and define each of the four elements
Product/Service

What does the customer want from the product

What features does it have to meet these needs?

Are there any features you've missed out?

Are you including costly features that the customer won't actually use?

How and where will the customer use it?

What does it look like? How will customers experience it?

What size(s), color(s), and so on, should it be?

What is it to be called?

How is it branded?

How is it differentiated versus your competitors?

What is the most it can cost to provide and still be sold sufficiently profitably? (See also Price, below.)

Place

Where do buyers look for your product or service?

If they look in a store, what kind? A specialist boutique or in a supermarket, or both? Or online? Or direct, via a catalog?

How can you access the right distribution channels?

Do you need to use a sales force? Or attend trade fairs? Or make online submissions? Or send samples to catalog companies?

What is competitor doing

Price

What is the value of the product or service to the buyer?

Are there established price points

Is the customer price sensitive? Will a small decrease in price gain you extra market share? Or will a small increase be indiscernible, and so gain you extra profit margin?

What discounts should be offered to trade customers, or to other specific segments

How will your price compare with your competitors?

Promotion

Where and when can you get your marketing messages across to your target market?

Will you reach your audience by advertising online, in the press, on TV, on radio, or on billboards? By using direct marketing mailshots? Through PR? On the internet?

When is the best time to promote? Is there seasonality in the market? Are there any wider environmental issues that suggest or dictate the timing of your market launch or subsequent promotions?

How do your competitors do their promotions? And how does that influence your choice of promotional activity?

29 What is a risk in business?

A risk can be defined as an event or circumstance that has a negative effect on your business, for example, the risk of having equipment or money stolen as a result of poor security procedures. Types of risk vary from business to business.

You must decide on how much risk you are prepared to take in your business. Some risks may be critical to your success; however, exposing your business to the wrong types of risk may be harmful.

30 What are the type of business risk?

1. Strategic –decisions concerning your business' objectives
2. compliance –the need to comply with laws, regulations, standards and codes of practice
3. financial profit ,loss financial transactions, systems and structure of your business
4. operational –your operational and administrative procedures
5. environmental –external events that the business has little control over such unfavourable weather or economic conditions
6. reputational –the character or goodwill of the business.
7. Others include health and safety, project, equipment, security, technology, stakeholder management and service delivery.

31 How will you prepare- a risk management plan in business?

Your risk management plan should detail strategies for dealing with risks specific to your business. It's important to allocate time and resources to preparing your plan to reduce the likelihood of an incident affecting your business.

You can develop a risk management plan by following these steps:

1. Identify the risk
2. Assess the risk
3. Manage the risk
4. Monitor and review

1. **Identify the risk-Undertake a r**eview of your business to identify potential risks. Some useful techniques for identifying risks are:

1. Evaluate each function in your business and identify anything that could have a negative impact on your business.
2. Review your records such as safety incidents or complaints to identify previous issues.
3. Consider any external risks that could impact on your business.
4. Brainstorm with your staff.

5. Ask yourself 'what if':

    I. you lost power?
    II. your premises were damaged or not accessible?
    III. your suppliers went out of business?
    IV. there was a natural disaster in your area?
    V. one of your key staff members resigned or was injured at work?
    VI. your computer system was hacked?
    VII. your business documents were destroyed?

2. **Assess** the risk

You can assess each identified risk by establishing:

the likelihood (frequency) of it occurring

the consequence (impact) if it occurred

The level of risk is calculated using this formula:

Level of risk = likelihood x consequence

3. Manage the risk

Managing risks involves developing cost effective options to deal with them including:

1. Avoiding the risk
2. Reducing the risk
3. Transferring the risk
4. Accepting the risk

Avoid the risk - change your business process, equipment or material to achieve a similar outcome but with less risk.

Reduce the risk - if a risk can't be avoided reduce its likelihood and consequence. This could include staff training, documenting procedures and policies, complying with legislation, maintaining equipment, practicing emergency procedures, keeping records safely secured and contingency planning.

Transfer the risk - transfer some or all of the risk to another party through contracting, insurance, partnerships or joint ventures.

Accept the risk – this may be your only option.

4. Monitor and review

You should regularly monitor and review your risk management plan and ensure the control measures and insurance cover is adequate. Discuss your risk management plan with your insurer to check your coverage.

32-How will you Manage the risk in the business?

Managing risks involves developing cost effective options to deal with them including:

1. Avoiding the risk
2. Reducing the risk
3. Transferring the risk
4. Accepting the risk

a. Starting business in partnership will share risk of business.
b. Proper knowledge and skill of business will reduce business risk .
c. change your business process, equipment or material to achieve a similar outcome but with less risk.
d. Reduce the risk - if a risk can't be avoided reduce its likelihood and consequence. This could include staff training, documenting procedures and policies, complying with legislation,
e. maintaining equipment, practicing emergency procedures, keeping records safely secured and contingency planning.
f. Transfer the risk - transfer some or all of the risk to another party through contracting,
g. insurance, partnerships or joint ventures help to share risk
h. accept the risk as it can not avoids

Unit 4 – Management

33 -What is Management?

Management can be defined as the process of administering and controlling the affairs of the organization, irrespective of its nature, type, structure and size. It is an act of creating and maintaining such a business environment wherein the members of the organization can work together, and achieve business objectives efficiently and effectively.

33-What are the Levels of Management?

Top-Level Management: This is the highest level in the organizational hierarchy, which includes Board of Directors and Chief Executives. They are responsible for defining the objectives, formulating plans, strategies and policies.

Middle-Level Management: It is the second and most important level in the corporate ladder, as it creates a link between the top and lower-level management. It includes departmental and division heads and managers who are responsible for implementing and controlling plans and strategies which are formulated by the top executives.

Lower Level Management: Otherwise called as functional or operational level management. It includes first-line managers, foreman, and supervisors. As lower-level management directly interacts with the workers, it plays a crucial role in the organization because it helps in reducing wastage and idle time of the workers, improving the quality and quantity of output.

34 – what are the Functions of Management?

Planning: It is the first and foremost function of management, i.e. to decide beforehand what is to be done in future. It encompasses formulating policies, establishing targets, scheduling actions and so forth.

Organizing: Once the plans are formulated, the next step is to organize the activities and resources, as in identifying the tasks, classifying them, assigning duties to subordinates and allocating the resources.

Staffing: It involves hiring personnel for carrying out various activities of the organization. It is to ensure that the right person is appointed to the right job.

Directing: It is the task of the manager to guide, supervise, lead and motivate the subordinates, to ensure that they work in the right direction, so far as the objectives of the organization are concerned.

Controlling: The controlling function of management involves a number of steps to be taken to make sure that the performance of the employees is as per the plans. It involves establishing performance standards and comparing them with the actual performance. In case of any variations, necessary steps are to be taken for its correction.

Coordination is an important feature of management which means the integration of the activities, processes and operations of the organization and synchronization of efforts, to ensure that every element of the organization contributes to its success

35 -What is Organizational structure? Explain its type ?

An organizational structure is a system that outlines how certain activities are directed in order to achieve the goals of an organization. These activities can include rules, roles, and responsibilities.

The organizational structure also determines how information flows between levels within the company. For example, in a centralized structure, decisions flow from the top down, while in a decentralized structure, decision-making power is distributed among various levels of the organization.

Types of organizational structures

1. Line organization structure
2. Functional organization structure
4. Divisional organization structures (market-based, product-based, geographic)
5. Matrix org structure

36 What is Talent Management?

Talent Management is process of training ,developing and retaining employees throughout a company. Talent Management professionals:

- Coach high-potential employees
- Deliver employee training programs
- Build hiring and succession plans
- Mentor, reward and promote employees

37-What is Recruitment?

Recruitment refers to the process of

- identifying,
- attracting,
- interviewing,
- selecting,
- hiring and boarding employees.

In other words, it involves everything from the identification of a staffing need to filling position.

• Human Resource Management, otherwise known as HRM or HR for short, is the function of people management within an organization. HR is responsible for facilitating the overall goals of the organization through effective administration of human capital — focusing on employees as the company's most important asset.

• Recruitment is the first step in building an organization's human capital. At a high level, the goals are to locate and hire the best candidates, on time, and on budget.

38-what is Financial Management?

Financial Management means

a) planning
b) organizing,
c) directing and controlling the financial activities such as
d) procurement and utilization

of funds of the enterprise.

It means applying general management principles to financial resources of the enterprise.

39 -Scope/Elements of finance management

Investment decisions includes investment in fixed assets (called as capital budgeting). Investment in current assets are also a part of investment decisions called as working capital decisions.

Financial decisions - They relate to the raising of finance from various resources which will depend upon decision on type of source, period of financing, cost of financing and the returns thereby.

Dividend decision - The finance manager has to take decision with regards to the net profit distribution. Net profits are generally divided into two:

Dividend for shareholders- Dividend and the rate of it has to be decided.

Retained profits- Amount of retained profits has to be finalized which will depend upon expansion and diversification plans of the enterprise.

40 What are the Objectives of Financial Management?

The financial management is generally concerned with procurement, allocation and control of financial resources of a concern. The objectives can be-

1. To ensure regular and adequate supply of funds to the concern.
2. To ensure adequate returns to the shareholders which will depend upon the earning capacity, market price of the share, expectations of the shareholders.
3. To ensure optimum funds utilization. Once the funds are procured, they should be utilized in maximum possible way at least cost.
4. To ensure safety on investment, i.e, funds should be invested in safe ventures so that adequate rate of return can be achieved.

5. To plan a sound capital structure-There should be sound and fair composition of capital so that a balance is maintained between debt and equity capital.

41-What are the Functions of Financial Management?

1-**Estimation of capital requirements**: A finance manager has to make estimation with regards to capital requirements of the company. This will depend upon expected costs and profits and future programmers and policies of a concern. Estimations have to be made in an adequate manner which increases earning capacity of enterprise.
2.-**Determination of capital composition**: Once the estimation have been made, the capital structure have to be decided. This involves short- term and long- term debt equity analysis. This will depend upon the proportion of equity capital a company is possessing and additional funds which have to be raised from outside parties.
3.Choice of sources of funds:
For additional funds to be procured, a company has many choices like-
a. Issue of shares and debentures
b. Loans to be taken from banks and financial institutions
c. Public deposits to be drawn like in form of bonds.
Choice of factor will depend on relative merits and demerits of each source and period of financing.
4. Investment of funds:
The finance manager has to decide to allocate funds into profitable ventures so that there is safety on investment and regular returns is possible.
5. **Disposal of surplus**: The net profits decision have to be made by the finance manager. This can be done in two ways:
a. Dividend declaration - It includes identifying the rate of dividends and other benefits like bonus.
b. Retained profits - The volume has to be decided which will depend upon expansion, innovational, diversification plans of the company.
6. **Management of cash**: Finance manager has to make decisions with regards to cash management. Cash is required for many purposes like payment of wages and salaries, payment of electricity and water bills, payment to creditors, meeting current liabilities, maintenance of enough stock, purchase of raw materials, etc.
7. **Financial controls**: The finance manager has not only to plan, procure and utilize the funds but he also has to exercise control over finances. This can be done

through many techniques like ratio analysis, financial forecasting, cost and profit control, etc.

42-What are the Financing methods available for start-ups in India ?

1. Own capital – parent property
2. Funding Through Loans
3. Funding by partnership or on cooperative base .
4. Angel investor (also known as a private investor, seed investor or angel funder) is a high-net-worth individual who provides financial backing for small startups or entrepreneurs, typically in exchange for partnership or partial ownership.
5. Fundraising Through Family and Friends
6. Funding Through Loans from banks
7. Funding through Grants for Start-ups from government.
8. startups India scheme, mudra scheme and various gov scheme

43- List out type of bank for financing loan to startups

They are categorized in India as

a. public sector banks,
b. private sector banks,
c. rural regional banks,
d. co-operative banks,
e. Foreign banks.

All these banks provide financial facilities for startups. After 1991 liberalization, role of commercial banks changed from working capital provider to all types of financial service provider.

44 -What is role of Commercial Bank in business startups?

It performs following functions:

a) To provide long term loan for purchase of Fixed Assets.
b) To provide working capital for purchase of inventories, goods and credit sales.
c) To provide fee-based services like underwriting, guaranteeing, credit rating, factoring, custodian etc.
d) Commercial banks are obliged to lend at least 40% of its total loanable funds to priority sector. SSI is included in priority sector.
e) Bankable scheme is launched to provide financial help to SSI, cottage industry & tiny industries.
f) It provides 25% cash subsidy which is not to be returned for some product like solar plant and milk production.

45-Explain the role DIC district industries center for startups in India ?

District Industries Centre (DIC) is a central sector scheme with the objective of promoting small village and cottage industries in a particular area. The DICs have been established in various districts of India at varying times since 1978 when it was launched. Being established at the district level, the District Industries Centres provide all the necessary services and support to facilitate entrepreneurs in setting Micro, Small and Medium enterprises

1. Technical support for preparation of Project Report.
2. Information on sources of machinery & Equipment.
3. Priority in Power supply/ Telephone connection.
4. Promotion of new Industrial Estates/ Growth Centers.

Unit 5 - Financing and Protection of Ideas

46-What is Investors Pitch – meaning and technique to attract investor in our business idea?

To convince the banker or investor to invest in your business or to give loan to you is called as invester pinch.

1. Clearly Presenting Your Margins

Investors are not investing in your business simply because they believe in your vision (though they do have to believe in it to invest), they are investing in you to make a little bit of extra money as well. in a pleasing, professional manner ..

2.Show Them Growth Potential

Investors like to see longevity and a stable marketplace full of consumers, so you should be able to show them the value of your business and how that value will only continue to grow.

3.Have A Clear Business Model

Investors like things that they can work in as well, so having a clear and replicable business model is going to be one of the linchpins to getting an investor to sign on to your business..

5.Tell Them What Problem You're Aiming To Solve

A successful business has a clear vision and a problem that they aim to solve with their products or services..

6.Prove That You're Different From Your Competitors

Having proprietary ownership over some part of your business is going to be the best way to have a competitive edge--nobody can replicate it, because you own it.

7.Show Them That Your Team Is The Best

Investors also look at the team behind a potential investment opportunity and want to know that the people that are running the show are passionate, talented, and the best at what they do.

8. Show Them How You Connect With Your Customers

Having repeat customers is a good sign of a successful business. In addition to this, having personal connections with customers through all avenues is always a good sign to a potential investor..

48- What are the 5 requirements for obtaining a patent?

1. New product or innovation is patentable
2. Patentable -New products such as toys, appliances, tools, medical devices, pharmaceutical drugs
3. New process, such as a manufacturing process or an industrial method or process, Software, Business methods, Some types of biological materials
4. The innovation is new (called 'novelty') you cannot patent something that is already publicly known, as it would be unfair to confer the economic benefits of a patent in relation to something that is already publicly known. The test of 'novelty' is assessed as at the date you file your application for the patent.
5. The innovation is inventive-This requirement of an inventive step relates to the 'obviousness' of the new product, process or invention. If it is 'obvious' to a skilled person, it is not patentable.
6. The innovation is useful (called 'utility') This requirement does not relate to whether the new product, process or invention is 'useful' in terms of whether or not someone would buy it.

49- What are the benefit of Patent to researcher and customer?

1. If a research patent his product, then he get the royalty of his research those who use his work for business.
2. The researcher gets credit of his work.
3. He is motivated for new research.
4. It will develop research culture in the world.
5. Consumer get new product.
6. Customer get new variety

Unit 6: Exit strategies for entrepreneurs,

50-What is need of a business exit strategy? What are the importance of exit strategy? Or Why some businessman exits from their business?

A business exit strategy is an entrepreneur's strategic plan to sell his or her ownership in a company to investors or another company. An exit strategy gives a business owner a way to reduce or liquidate his stake in a business and, if the business is successful, make a substantial profit. If the business is not successful, an exit strategy (or "exit plan") enables the entrepreneur to limit losses.

Business exit strategies should not be confused with trading exit strategies used in securities markets.

A business exit strategy is a plan that a founder or owner of a business makes to sell their company, or share in a company, to other investors or other firms.

If the business is making money, an exit strategy lets the owner of the business cut their stake or completely get out of the business while making a profit.

If the business is struggling, implementing an exit strategy or "exit plan" can allow the entrepreneur to stop future losses.

51 Explain Exit strategy for start-ups

There are eight common exit strategies, but ultimately the one you choose will depend on your own financial, personal, and business goals. We cover some of the Advantages and cons of each business exit strategy below.

1. Sale out business is a traditional technique to sell b
2. Merger and acquisition exit strategy (M&A deals)
3. Selling your stake to a partner or investor
4. Family succession
5. Selling business to employees
6. Management and employee buyouts (MBO)
7. Doing partnership (hidden partner)
8. Bankruptcy

1 M&A deals

A merger or acquisition is a strong exit plan option for any company with their business for sale, and a particularly attractive option for startups and entrepreneurs. You’ll be selling your business to another company, who may want to increase their geographic footprint, eliminate competition, or acquire your talent, infrastructure or product.

2. Selling your stake to a partner or investor

As long as you are not the sole business owner, you can sell your stake to a partner or venture capital investor while the business runs as usual. The term ‘friendly buyer’ is often used in this type of exit strategy, as it’s likely that you would sell your stake to someone known and trusted.

Advantages

The company can continue to run with minimal disruption to business as usual, keeping revenue streams steady.

3. Family succession

The family succession exit (or legacy exit) is the idea of keeping a profitable business ‘in the family’. It’s worth noting that business exit planning for a family succession is no less important than any other type of exit. This is an appealing option for those who want to pass down their company legacy to a child or family member, but it’s important to ensure that the person is up for the job.

Advantages

As a family member, it’s likely this person will have an intimate knowledge of the business and a good understanding of how it is run.

4. Sell to employee.

Acquihires is a business exit strategy where a company is bought solely to acquire its talent. This type of acquisition can be very beneficial to skilled employees, as you can be confident they will be well looked after once the business itself is sold.

Advantages

If someone is actively trying to acquire your talent, you’ll be able to negotiate stronger terms of the acquisition.

Your employees will enjoy a more certain and successful future.

5. Management and employee buyouts

In management buyouts, those already working within the business are able to transition into more senior roles to fill the gap in leadership. As the management team is already familiar with your business, they should be well equipped to manage the company.

Advantages

You’ll be able to trust that the business is being run by someone experienced in the organization.

7. Liquidation

This is a common exit strategy for failing businesses. Liquidation is one of the most final exit strategies, whereby business is closed down and all assets sold off. Any cash earned must go toward paying off debts and shareholders (if there are any).

Advantages

If it's a firm end you're seeking, this is it. The business is well and truly gone after liquidation.

8. **Bankruptcy**

Of all the types of exit strategies, this last one doesn't entail much of a business plan. Filing for bankruptcy will result in assets seized and will impact your credit, but it will also relieve you of financial debts.

Advantages

You'll be unburdened of the debts and responsibilities of your business.

Dis-advantages

You may struggle to borrow credit in future business endeavors.

52 -What is bankruptcy, what is the reason of bankruptcy?

Of all the types of exit strategies, this last one doesn't entail much of a business plan. Filing for bankruptcy will result in assets seized and will impact your credit, but it will also relieve you of financial debts.

Advantages

You'll be unburdened of the debts and responsibilities of your business.

Dis-advantages

You may struggle to borrow credit in future business endeavors.

53-What is the reason of bankruptcy?

Continuous loss in business (.write 5 reason of loss in business)