

EDE Practical Exam 2025
Entrepreneurship Development(22032)

1) What is Entrepreneur, Entrepreneurship and Enterprise ?

- **Entrepreneur:**

An entrepreneur is an individual who identifies a business opportunity, takes risks, and starts a venture with the goal of making a profit. Entrepreneurs innovate, invest, and manage resources to build successful businesses.

Example: Elon Musk (Tesla, SpaceX), Ratan Tata (Tata Group), Steve Jobs (Apple).

- **Entrepreneurship:**

Entrepreneurship is the process of creating, developing, and managing a business. It involves innovation, risk-taking, problem-solving, and strategic decision-making to establish a successful enterprise.

Example: Launching a new tech startup, developing a student internship platform, or creating a new business model in e-commerce.

- **Enterprise:**

An enterprise refers to a business or company that is established by an entrepreneur. It can be small, medium, or large-scale, depending on its size and market reach. Enterprises contribute to economic growth and job creation.

Example: Google, Amazon, Flipkart, and your small-scale student internship platform are enterprises.

2) Explain the KVIC and MCED.

- **KVIC (Khadi and Village Industries Commission):**

KVIC is a government body under MSME (Ministry of Micro, Small & Medium Enterprises) that promotes Khadi and village industries in rural areas. A statutory body of the Indian government focused on the development and promotion of khadi and village industries in rural areas, aiming to create employment and empower rural communities.

Purpose:

- Helps rural people start small businesses.
- Provides loans, raw materials, and training.
- Encourages self-employment through schemes like **PMEGP (Prime Minister's Employment Generation Programme)**.
- Supports eco-friendly and handmade products like textiles, handicrafts, and agro-based industries.

- **MCED (Maharashtra Centre for Entrepreneurship Development):**

MCED is a Maharashtra government organization that helps people start and grow businesses. An autonomous society of the Maharashtra state government that provides entrepreneurship development training and support to cultivate and nurture entrepreneurs.

Purpose:

- Provides entrepreneurship training and skill development.
- Helps people apply for loans and government schemes.
- Encourages youth, women, and rural entrepreneurs.
- Conducts programs like EDP (Entrepreneurship Development Program) to teach business skills.

3) What are the traits of successful entrepreneur, Explain?

The traits of a successful entrepreneur are the characteristic qualities, behaviors, and attitudes that contribute to an individual's ability to create, launch, and grow a successful business.

Traits of a Successful Entrepreneur**1. Passion & Determination**

Entrepreneurs are deeply passionate about their business. They remain motivated and committed even when facing challenges.

2. Innovation & Creativity

Successful entrepreneurs think differently and develop unique products or services. They continuously improve and introduce new ideas.

3. Risk-Taking Ability

Entrepreneurs take calculated risks, which is essential for business growth. Without risks, there is no major success.

4. Problem-Solving Skills

Entrepreneurs face challenges daily. Their ability to think critically and find solutions determines their success.

5. Vision & Goal-Oriented

A clear vision helps entrepreneurs set short-term and long-term goals, ensuring the business stays on track.

6. Leadership & Teamwork

A strong entrepreneur knows how to lead and inspire a team. They delegate tasks effectively and work with others to achieve success.

7. Adaptability & Resilience

Market trends change rapidly, and entrepreneurs must be flexible to survive. They also need resilience to recover from failures.

8. Strong Communication Skills

Entrepreneurs must communicate effectively with customers, investors, and employees. Good communication helps in marketing and networking.

9. Financial Management

Understanding money management is crucial for running a successful business. Entrepreneurs must budget properly, control expenses, and increase profits.

10. Customer-Centric Approach

Successful entrepreneurs prioritize customer needs and provide high-quality products or services to ensure customer satisfaction.

4) What is SWOT Analysis. Explain its advantages and disadvantages?

A SWOT analysis is a strategic planning tool used to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in a project or in a business venture. It's a fundamental tool that helps organizations understand their internal and external environments

What SWOT Stands For:

- Strengths:
 - These are internal attributes of an organization that are helpful in achieving its objectives.
- Weaknesses:
 - These are internal attributes that hinder an organization's ability to achieve its objectives.
- Opportunities:
 - These are external factors that an organization can exploit to its advantage.
- Threats:
 - These are external factors that can challenge an organization's performance.

Advantages of SWOT Analysis:

- Simple & Easy to Use – No complex calculations needed.
- Helps in Decision Making – Identifies key focus areas for business growth.
- Improves Strategic Planning – Helps businesses set goals based on strengths and opportunities.
- Identifies Potential Risks – Helps in preparing for future challenges.
- Encourages Business Growth – Helps find ways to improve weaknesses and use opportunities.

Disadvantages of SWOT Analysis:

- Subjective Analysis – Based on opinions, not always factual.
- Lack of Prioritization – Doesn't rank the importance of factors.
- No Action Plan – SWOT analysis identifies issues but doesn't provide direct solutions.

- External Factors Keep Changing – Opportunities and threats can shift quickly, making the analysis outdated.

5) What is Brainstorming. Give the difference between Entrepreneur & Intrapreneur?

Brainstorming:

Brainstorming is a creative thinking process used to generate new ideas, solve problems, or develop strategies. It involves a group of people sharing ideas freely without criticism to encourage innovation and creativity.

Brainstorming is a group creativity technique by which efforts are made to find a conclusion for a specific problem by gathering a list of ideas spontaneously contributed by its members.

It's a process of generating a large number of ideas in a short period of time, with the goal of stimulating creative thinking and problem-solving

Differences Between Entrepreneur & Intrapreneur

Aspect	Entrepreneur	Intrapreneur
Definition	A person who starts and runs their own business.	An employee who innovates within a company.
Ownership	Owns and controls the business.	Works within an organization.
Risk	Takes full financial and business risks.	Takes risks but with company resources.
Funding	Arranges capital on their own (investors, loans, savings).	Uses the company's budget for innovation.
Innovation	Creates new products, services, or businesses.	Develops new ideas within an existing business.
Decision Making	Has full control over decisions.	Needs approval from management.
Example	Elon Musk (Tesla, SpaceX)	Google employees who created Gmail.

6) Explain Pradhan Mantri Mudra Yojana (PMMY)?

Pradhan Mantri Mudra Yojana (PMMY) is a government scheme launched in 2015 to provide collateral-free loans to small businesses, startups, and entrepreneurs in India. The scheme is aimed at promoting self-employment and the growth of Micro, Small, and Medium Enterprises (MSMEs).

Objectives of PMMY:

- Provide financial support to small-scale businesses and startups.
- Encourage self-employment and job creation.
- Help small businesses expand and modernize.
- Support women entrepreneurs, artisans, shopkeepers, and small manufacturers.

MUDRA loans are categorized based on the loan amount:

- **Shishu:** Loans up to ₹50,000.
- **Kishore:** Loans above ₹50,000 and up to ₹5 lakh.
- **Tarun:** Loans above ₹5 lakh and up to ₹10 lakh.

How to Apply for a PMMY Loan?

1. Visit any bank, NBFC (Non-Banking Financial Company), or Microfinance Institution (MFI) that offers Mudra loans.
2. Submit a business plan and required documents (Aadhar, PAN, business proof, etc.).
3. The bank reviews and approves the loan based on eligibility.
4. Loan amount is credited to the business account.

7) What is the role of SIDBI & NSIC?**• SIDBI (Small Industries Development Bank of India):**

SIDBI is the principal financial institution for the promotion, financing, and development of the MSME sector. It aims to facilitate and strengthen the flow of credit to MSMEs.

Key Roles:

- Provides Loans & Financial Support – Offers direct and indirect loans to small businesses.
- Refinancing Support – Helps banks and NBFCs provide loans to MSMEs

- Encourages Startups & Innovations – Funds new businesses under various government schemes.
- Implements Government Schemes – Supports schemes like Mudra Yojana and Make in India.
- Promotes Digital Lending – Introduced Udyamimitra Portal for easy loan access.

- **NSIC (National Small Industries Corporation):**

NSIC promotes, aids, and fosters the growth of MSMEs in India.

It provides integrated support services to enhance the competitiveness of MSMEs.

Key Roles:

- Procurement & Marketing Support – Helps MSMEs sell their products to the government.
- Credit Support for Small Businesses – Provides financial assistance under Raw Material Assistance Scheme.
- Technology Support – Helps businesses adopt modern technology.
- Skill Development & Training – Runs training programs for entrepreneurs.
- Promotes MSME Growth – Encourages participation in trade fairs and exhibitions.

8) Give the steps of Business Plan Preparation?

- i. Executive Summary
- ii. Business Description
- iii. Market Analysis
- iv. Business Model & Strategy
- v. Organizational Structure & Management
- vi. Products & Services
- vii. Marketing & Sales Plan
- viii. Financial Plan & Funding Requirements
- ix. Risk Analysis & Contingency Plan
- x. Conclusion & Appendices

9) What is Breakeven point, Return on investment (ROI), Return on sales (ROS)?

Breakeven Point:

The breakeven point is the point at which a company's total revenue equals its total costs. In other words, it's the point where the company is neither making a profit nor incurring a loss.

It helps businesses determine the minimum amount of sales needed to cover all expenses.

1. Return on Investment (ROI):

ROI measures the profitability of an investment. It indicates how much profit or loss is generated relative to the cost of the investment.

It's expressed as a percentage

Return on Investment (ROI) measures how profitable an investment is compared to the initial cost.

✦ Formula:

$$ROI = \left(\frac{\text{Net Profit}}{\text{Investment Cost}} \right) \times 100$$

2. Return on Sales (ROS):

ROS, also known as operating profit margin, measures a company's operational efficiency. It indicates how much profit a company generates from its sales.

It shows the percentage of each sales dollar that is profit.

Return on Sales (ROS) measures how efficiently a company turns sales into profit. It helps analyze profitability.

✦ Formula:

$$ROS = \left(\frac{\text{Net Profit}}{\text{Total Sales}} \right) \times 100$$

10) What are the key benefits of the Stand-up India scheme?

Stand-Up India Scheme was launched in 2016 to provide financial assistance to SC/ST and women entrepreneurs for setting up new businesses.

The Stand-Up India scheme, launched by the Government of India, aims to promote entrepreneurship among Scheduled Castes (SC), Scheduled Tribes (ST), and women entrepreneurs.

Key Benefits of Stand-Up India Scheme:

1. **Loan Amount:** Provides loans from ₹10 lakh to ₹1 crore for setting up businesses.
2. **Encourages Entrepreneurship:** Supports SC/ST and women entrepreneurs to start their own ventures.
3. **Collateral-Free Loans:** Loans are backed by Credit Guarantee Fund to reduce financial risk.
4. **Lower Interest Rates:** Competitive interest rates make repayment easier.
5. **Flexible Repayment:** Loan repayment period of up to 7 years with a moratorium period of 18 months.
6. **Sector Flexibility:** Supports businesses in manufacturing, services, and trading sectors.
7. **Government Support:** Offers mentorship and guidance for business setup.
8. **Financial Inclusion:** Encourages banks to provide financial support to underrepresented entrepreneurs.

11) What is feasibility Study, Budgeting, Ownership, Capital?

1. Feasibility Study:

- A feasibility study is an assessment of the practicality of a proposed plan or project. It investigates whether the project is viable, considering factors like technical, economic, legal, and operational aspects.
- It's a preliminary analysis done to determine if a project should proceed
- A feasibility study is an analysis that determines whether a business idea is practical and profitable before starting it.

2. Budgeting:

- Budgeting is the process of creating a detailed plan of expected income and expenses over a specific period.
- It involves estimating future financial performance.
- Budgeting is the process of planning income and expenses to manage finances efficiently.

3. Ownership:

- Ownership refers to the legal right to possess, control, and dispose of an asset or business.
- It signifies who has the authority and responsibility for the entity.
- Ownership defines who controls and manages the business.

4. Capital:

- Capital refers to the financial resources or assets used to start and run a business.
- It includes money, equipment, and other valuable resources.
- Capital refers to the money or assets invested in a business for operations and growth.

12) What is Core competence and mortality curve?

1. Core Competence:

A core competence is a unique set of skills, technologies, or resources that a company possesses, enabling it to deliver particular value to its customers.

It's something a company does exceptionally well, providing a competitive advantage.

It should be difficult for competitors to imitate

□ **Key Characteristics:**

- Provides access to a wide variety of markets.
- Contributes significantly to the perceived customer benefits of the end product.
- Difficult for competitors to imitate.

□ **Significance:**

- Core competencies drive a company's strategic direction.
- They help companies focus on their strengths and differentiate themselves in the marketplace.
- They are the foundation for creating and sustaining competitive advantage.

2. Mortality Curve (in business):

In the context of business, the mortality curve refers to the pattern of business failures over time, particularly for startups and new ventures.

It illustrates the high rate of failure in the early stages of a business's life cycle.

It is the statistical representation of how many businesses fail over time.

□ **Key Characteristics:**

- Shows a steep decline in the number of surviving businesses in the initial years.
- Indicates that the risk of failure decreases as a business matures.
- Reflects the challenges of establishing and sustaining a new business.

□ **Significance:**

- Highlights the importance of careful planning, adequate funding, and effective management in the early stages of a business.
- Emphasizes the need for businesses to adapt and evolve to survive in the long term.
- It helps to show the risks that are associated with starting new businesses.

13) write any one scheme & write their features, eligibility.

Pradhan Mantri Mudra Yojana (PMMY) is a government scheme launched in 2015 to provide collateral-free loans to small businesses, startups, and entrepreneurs in India. The scheme is aimed at promoting self-employment and the growth of Micro, Small, and Medium Enterprises (MSMEs).

Features of PMMY:

Loan Amount – Provides loans up to ₹10 lakh.

Collateral-Free – No need to pledge any security.

Three Loan Categories:

- Shishu – Up to ₹50,000 (For startups).
- Kishor – ₹50,000 to ₹5 lakh (For growing businesses).
- Tarun – ₹5 lakh to ₹10 lakh (For expanding businesses).

Low Interest Rates – Competitive rates based on loan category.

Repayment Period – Flexible tenure up to 5-7 years.

Supports Small Businesses – Ideal for MSMEs, startups, and self-employed individuals.

Eligibility:

- Individuals and entities engaged in non-farm income-generating activities.
- Micro and small enterprises.
- Businesses involved in manufacturing, trading, or services.
- Indian citizens.
- It is important to have a viable business plan.
- A satisfactory credit track record is necessary.
- Recently, allied agricultural activities have been included.

14) Write the information about NI-MSME, PMEGP?

1. NI-MSME (National Institute for Micro, Small and Medium Enterprises):

NI-MSME is a national institute under the Ministry of Micro, Small and Medium Enterprises, Government of India.

It's a premier institute that works to promote and develop the MSME sector.

Located in Hyderabad, India.

Functions and Activities:

- **Training and Education:** Provides training programs, workshops, and seminars on various aspects of MSME development, including entrepreneurship, management, and technology.
- **Research and Consultancy:** Conducts research studies and provides consultancy services to MSMEs and government agencies.
- **Information Dissemination:** Acts as a resource center for information related to the MSME sector.
- **Skill Development:** Helps to improve the skills of those working in the MSME sector.
- **Promotional Activities:** Organizes events and activities to promote MSME development.

2. PMEGP (Prime Minister's Employment Generation Programme):

PMEGP is a credit-linked subsidy scheme launched by the Ministry of Micro, Small and Medium Enterprises, Government of India.

It aims to generate employment opportunities in both rural and urban areas by assisting in the establishment of new micro-enterprises

Key Features:

- **Subsidy:** Provides government subsidies on project costs.
- **Loan Component:** The remaining project cost is financed through bank loans.

- **Target Beneficiaries:** Individuals, self-help groups (SHGs), cooperative societies, and charitable trusts.
- **Implementation:** Implemented through the Khadi and Village Industries Commission (KVIC), Khadi and Village Industries Boards (KVIBs), and District Industries Centres (DICs).
- **Project Costs:** The scheme provides financial assistance for projects in the manufacturing and service sectors.

15) what are the basic stages involved in product selection.

Stages of Product Selection:

1. Idea Generation – Brainstorm multiple product ideas based on market trends & customer needs.
2. Market Research – Analyze demand, competition, and target audience to understand product potential.
3. Technical Feasibility – Check if the product can be produced efficiently with available technology & resources.
4. Financial Feasibility – Estimate costs, investment, pricing, and profitability to ensure financial viability.
5. Prototype Development – Create a sample or working model to test design and functionality.
6. Testing & Feedback – Gather customer feedback to refine & improve the product before launch.
7. Final Selection & Launch – Choose the most viable product and plan for production, marketing, and sales.

16) what are the barriers of entrepreneurship & explain

Barriers to entrepreneurship refer to the obstacles and challenges that hinder individuals from starting, developing, and sustaining their own businesses. These barriers can be internal or external, and they often prevent potential entrepreneurs from realizing their entrepreneurial aspirations. Essentially, they are the factors that make it difficult to engage in entrepreneurial activity

1) Financial Barriers

- **Lack of Capital** – Difficulty in securing loans, investments, or personal savings.
- **High Startup Costs** – Expensive infrastructure, equipment, and operational costs.
- **Cash Flow Issues** – Delayed payments from customers affect business operations.

2) Market & Competition Barriers

- **High Competition** – Established brands dominate the market.
- **Changing Customer Preferences** – Rapid shifts in trends make it difficult to sustain.
- **Limited Market Access** – Difficult to reach customers & distributors.

3) Legal & Regulatory Barriers

- **Complex Business Registration** – Lengthy process for licenses, permits, and compliance.
- **Taxation Issues** – High GST, income tax, and import/export duties.
- **Labor Laws & Regulations** – Managing employee policies & legal requirements.

4) Technological Barriers

- **Lack of Digital Skills** – Entrepreneurs may struggle with web development, AI, or automation.
- **Expensive Technology** – Advanced tools require high investment.
- **Cybersecurity Risks** – Data protection and hacking concerns.

5) Psychological & Social Barriers

- **Fear of Failure** – Worry about business losses & reputation risks.
- **Lack of Family Support** – Some families prefer stable jobs over entrepreneurship.
- **Risk-Taking Hesitation** – Uncertainty about investing time & money