

# ENTREPRENEURIAL SKILLS II

## REVISION NOTES

### ENTREPRENEUR

The word 'entrepreneur' is derived from the French word 'entrepreneur' which means to undertake. An entrepreneur is an individual who creates a new business, bearing most of the risks and enjoying most of the rewards.

A person who sets up a business or businesses, taking on financial risks in the hope of profit.

or

A promoter in the entertainment industry.

or

An entrepreneur is a person who sets up a business with the aim to make a profit.

or

Entrepreneurship is the process of designing, launching and running a new business, which is often initially a small business. The people who create these businesses are called entrepreneurs.

or

An entrepreneur is the person who sees a problem in the world and immediately focuses on creating the solution. They're the leaders that strike out on their own to improve society. Whether they're creating jobs or a new product, they constantly take action to ensure world progress.

### ENTREPRENEUR SKILLS

There are many skills required to start a business. The most popular entrepreneur skills are marketing, business development, customer service, leadership, execution, resilience, focus, determination, talent acquisition, continuous learner.

### ENTREPRENEURSHIP AND SOCIETY

**Entrepreneurship:** The meaning of entrepreneurship involves an entrepreneur who takes action to make a change in the world. Whether startup entrepreneurs solve a problem that many struggle with each day, bring people together in a way no one has before, or build something revolutionary that advances society, they all have one thing in common: action.

It's not some idea that's stuck in your head. Entrepreneurs take the idea and execute it. Entrepreneurship is about execution of ideas.

**Society:** Society can be described as an aggregate of people living together in a community or basically a situation of being in the company of others. The persons that comprise a population associate for various engagements including business.

### QUALITIES/CHARACTERISTICS OF A GOOD ENTREPRENEUR:

The major qualities/characteristics of a good entrepreneur are linked below

- **Leadership:** An entrepreneur must possess the characteristics of leadership and must lead a team for achievement of goals. The leader is able to clearly articulate their ideas and has a clear vision. An entrepreneurial leader realises the importance of initiative and reactivity and they go out of their way to provide a support to the team.
- **Risk Taking:** An entrepreneur with rational planning and firm decisions bear the risks. They have differentiated approach towards risks. Good entrepreneurs are always ready to invest their time and money but they always have a back up for every risk they take.
- **Innovativeness:** With the changing needs and requirements of customers production should meet requirements with the help of innovative ideas. An entrepreneurial venture does not have to restrict itself to just one innovation or even one type of innovation. Success can be built on combination of innovation. For example, a new product delivered in a new way with a new message.

- **Goal-oriented:** Goal-oriented entrepreneurs achieve the maximum results from their efforts in business due to the fact they work towards clear and measurable targets.
- **Decision-maker:** An entrepreneur has to take many decisions to put his business idea into reality. He chooses the best suitable and profitable alternative.
- **Highly Optimistic:** A successful entrepreneur is always optimistic and the present problems does not matter to them. He is always hopeful that the situation will become favourable for business in future.
- **Motivator:** An entrepreneur has to create a spirit of team work and motivate them. So that he gets full cooperation from the employees.
- **Self-confident:** An entrepreneur should have confidence to achieve his goals otherwise he won't be able to convince his team to achieve his goals.
- **Action-oriented:** An entrepreneur should have an action oriented vision and ideology to plan things well.
- **Dynamic Agent:** An entrepreneur creates new needs and new means to satisfy them. He has the ability to visualise new ventures and new plans.
- **High Achiever:** An entrepreneurs are high achievers as they have a strong urge to achieve. The most important characteristic is his achievement motivation.
- **Trust in Self:** An entrepreneur believes on their own decisions and actions as he has trust in his perseverance and creations. He does not believe in luck.

## ENTREPRENEURSHIP AND ECONOMY

Entrepreneurship plays an influential role in the economic growth and standard of living of the country. As a startup founder or small business owner, you may think that you are simply working hard to build your own business and provide for yourself and your family. But you are actually doing a whole lot more for your local community, state, region, and the country as a whole.

An entrepreneur is the builder of economic growth. He promotes the prosperity of a country by his initiative and skill for innovation and dynamic leadership. He creates wealth, opens up employment opportunities and fosters the other segments of economic system.

The role and significance of an entrepreneur are given under the following headings

- **Organiser of Society's Productive Resources:** An entrepreneur is the organiser of society's productive resources. He is the person who assembles the unused natural, physical and human resources of the society, combines them properly, establishes effective coordination between them and makes the economic activities dynamic.
- **Helpful in Capital Formation:** An entrepreneur is helpful in capital formation as we know that increase in the rate of capital formation is quite essential for the economic development of any country. Those nations which are not able to increase the rate of capital formation or does it nominally remain backward from industrial development's point of view.
- **Increase in Employment Opportunities:** An entrepreneur creates maximum employment opportunities in the society by way of establishing new industries, developing and expanding the existing industries and by undertaking innovative activities.
- **Development of New Production Techniques:** An entrepreneur does not feel contented only with the existing techniques of production. Hence, he carries out various experiments for saving time, labour and capital in the production, as also to improve the variety and quality of the product and service.
- **Visionary Leader:** An entrepreneur has a good vision towards the achievement of his goals. He is able to recognise profitable opportunities and conceptualise strategies.
- **Contribution of the Execution of Government Policies:** An entrepreneur provide an important contribution in implementing government policies and achieving the national goals. An entrepreneurs cooperate with the government for implementations of development plans of the country.
- **Higher Productivity:** Entrepreneur have the ability to produce more goods and services with less inputs. They play an important role in raising productivity.

- **Initiator:** An entrepreneur is the one who initiates the process of creating an enterprise by coming up with the idea for the business and planning out how to turn that idea into reality.
- **Backbone of Capitalist System:** Capitalist economy is one in which there is a freedom to save and invest to compete and operate any business. An entrepreneur plays a vital and prominent role in the enterprise because he controls market by assuming the role of a competitor and a leader.
- **Ingredient of Modern Production System:** An entrepreneur has become the 'balancing wheel' of modern global economy. They seek the unique product, change the technical frontiers and reshape public desires. Today, entrepreneurs act as an ingredient of modern production system as they create wealth and employment.

### MYTHS OF ENTREPRENEURSHIP

Entrepreneurship is a set of activities performed by the entrepreneur. It is the process of identifying opportunities in the market place. It is the attempt to create value. Many entrepreneurs believe a set of myths about entrepreneurship and the most common are as follows

- **Starting a Business is Easy:** In reality, it is a very difficult and challenging process to start a successful business. The rate of failure of new ventures is very high but small entrepreneurship are comparatively easier to start.
- **Lot of Money to Finance New Business:** Successful entrepreneurs design their business with little cash also.
- **Startups cannot be Financed:** Under the schemes like MUDRA, entrepreneurs can raise loans from banks.
- **Talent is more Important than Industry:** This is not true as the nature of industry an entrepreneur chooses greatly effects the success and growth of the business.
- **Most Startups are Successful:** Mostly in the developing countries startups fail as they could not manage to earn high profits.

### ADVANTAGES OF ENTREPRENEURSHIP

The main advantages of adopting entrepreneurship as a career are discussed below

**Independence:** An entrepreneur is himself a boss or owner and he can take all the decisions independently.

- **Exciting:** Entrepreneurship can be very exciting with many entrepreneurs considering their ventures highly enjoyable. Everyday will be filled with new opportunities to challenge your determination, skills and abilities.
- **Wealth Creation:** The principal focus of entrepreneurship is wealth creation and improved livelihood by means of making available goods and services. Entrepreneurial venture generates new wealth, new and improved products, services or technology form entrepreneurs, enable new markets to be developed and new wealth to be created.
- **Flexibility:** As an entrepreneur you can schedule your work hours around other commitments, including quality time you would spend with your family.
- **Status:** Success in entrepreneurship brings a considerable fame and prestige within the society.
- **Ambition Fulfilment:** Through entrepreneurship one can fulfil his ambitions into original products or services.

### DISADVANTAGES OF ENTREPRENEURSHIP

Some of the disadvantages of entrepreneurship as a career are discussed below

**Huge Amount of Time:** You have to dedicate a huge amount of time to your own business. Entrepreneurship is not easy and for it to be successful, you have to take a level of time commitment.

- **Risk:** An entrepreneurship involves high risk of loss. If the business fails then it will wipe away all the personal savings.
- **Hard Work:** An entrepreneur has to work very hard to make the new business very successful.
- **Uncertain Income:** There is no regular or fixed income available to an entrepreneur. So, there is uncertain kind of income received by an entrepreneur.

- **Incompetent Staff:** A new entrepreneur may not be able to hire qualified and experienced staff so there are chances of incompetency by the staff due to lack of experience and knowledge.

## ENTREPRENEURSHIP AS A CAREER OPTION




A career is a line of work that a person takes for life. There are two ways a person can earn a living. They are

1. self-employment
2. wage employment

For example, a doctor who works for a hospital is a wage employed person. If the same doctor has their own clinic, he or she is a self-employed person.

A self-employed person running a business to satisfy a need by trying new ideas is an entrepreneur.

A person who becomes an entrepreneur goes through a career process. This process is as follows:

ENTER	SURVIVE	GROW
		
When an entrepreneur is starting, they are just entering the market to do business.	There are many entrepreneurs in the market. The entrepreneur has to remain in a competitive market.	Once the business is stable, an entrepreneur thinks about expanding his or her business.
For example, Sanjana is starting a small grocery store in a locality.	For example, there are many other grocery stores in the area. Yet, Sanjana's store survives the competition and does well. She also expands the store to two more floors.	For example, after five years, Sanjana has opened a chain of four more grocery stores in the same city. In the next two years, she plans to expand to tow other cities.

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# ENTREPRENEURIAL SKILLS II

## NCERT/CBSE TEXTBOOK QUESTIONS

**A. Here are some stories of some entrepreneurs. Tick the option for the quality they are showing.**

1. Ravi's customer comes to his store and starts shouting at him. He does not get angry. He listens to what his customer is saying. He is \_\_\_\_\_.

- (a) hardworking      (b) confident      (c) patient      (d) prying new ideas

**Ans: (c) patient**

2. Susheela decides to sell her company tyres in Sri Lanka. It does not sell and she has a loss. She apologises to the people who work for her. She says she will plan better next time. She \_\_\_\_\_.

- (a) takes responsibility for your mistakes  
(b) thinks before making a decision  
(c) does not give up  
(d) is creative

**Ans: (a) takes responsibility for your mistakes**

**B. Tick the correct option for the function that the entrepreneur is doing.**

1. Ali has a diamond factory. He pays his employees on the 1st of every month.

- (a) Creates a new product      (b) Manages the business      (c) Takes risk

**Ans: (b) Manages the business**

2. Mary buys bulbs for her business from Noida. She learns that bulbs are cheaper in Faridabad. So, she decides to start buying bulbs from there.

- (a) Makes decisions      (b) Divides income      (c) Takes risk

**Ans: (a) Makes decisions**

3. Rehnuma has two people who work for her. Every day, she spends one hour with them to learn about what they've done that day.

- (a) Creates a new product      (b) Divides income      (c) Manages the business

**Ans: (c) Manages the business**

**C. Write against the option, if the business idea is of self-employment or wage employment.**

- (a) Cooking in a restaurant

**Ans. Wage Employment**

- (b) Owning a clothing business

**Ans. Self Employment**

- (c) Having a dosa selling stall

**Ans. Self Employment**

**D. Subjective question**

1. List the ways in which an entrepreneur affects a society.

**Ans:** The ways in which an entrepreneur affects a society are:

- **Fulfil Customer Needs:** Entrepreneurs find out what people want. Then, they use their creativity to come up with a business idea that will meet that demand.
- **Use Local Materials:** Entrepreneurs use the material and people available around them, to make products at low cost.

- **Help Society:** They make profits through activities that benefit society. Some entrepreneurs work towards saving the environment, some give money to build schools and hospitals. This way, the people and area around them becomes better.
- **Create Jobs:** With the growth of a business, entrepreneurs look for more people to help them. They buy more material, and from more people. They also hire more people to work for them.
- **Sharing of Wealth:** As entrepreneurs grow their business, the people working for them and in related businesses also grow.
- **Lower Price of Products:** As more entrepreneurs sell the same product, the price of the product goes down. For example, when more mobile phones were getting sold in India, the cost of the phone became lesser.

2. What do you think are the important functions of an entrepreneur? Write your answer giving suitable examples.

**Ans.** The functions of an entrepreneur are:

- **Making Decisions:** An entrepreneur makes decisions everyday. This includes what to produce or sell, how much and where to sell.
- **Managing the Business:** An entrepreneur plans the future of his or her business. He/she arranges for raw material, hires people for work and tells everyone what to do. They also check if the plan is being followed.
- **Divide Income:** The entrepreneur divides the business money into many groups. He/she spends money to buy material, pays rent of the building and salaries to people.
- **Taking Risk:** Risk is the chance of something going wrong. An entrepreneur takes risks against fires, lost items and theft.
- **Create a new Method, Idea or Product:** An entrepreneur is always trying new things. He/she does this to increase their importance and income.

3. What is the difference between a misconception and reality? Give an example.

**Ans.** The difference between misconception and reality are:

**Misconception:** A myth, or a misconception, is a false belief or opinion about something. For example, if we think tall people run faster than short people, we have a misconception. It is not true. The truth is that short people can also run fast.

**Reality:** Reality means the things which actually exist. It may happen that it appears or not. You may have unnoticed it but in actual it exists. In other words, the reality is all the things which has real existence irrespective of appearance or not.

### OBJECTIVE TYPE QUESTIONS

1. \_\_\_\_\_ is the type of self-employment where one is running a business to satisfy the needs of people and looking for ways to make the business better.
- (a) Entrepreneurship
  - (b) Entrepreneur
  - (c) Business Idea
  - (d) Entrepreneurist

Answer: (a) Entrepreneurship

2. Which of the following are the qualities of successful entrepreneurs?
- (a) They are confident.
  - (b) They take responsibility for their actions.
  - (c) They work hard
  - (d) All of the above

Answer: (d) All of the above

3. \_\_\_\_\_ are people who work for a person or an organization and get paid for that work.

- (a) Self employed
- (b) Wage employed
- (c) Both of the above
- (d) None of the above

Answer : (b) Wage employed

4. \_\_\_\_\_ people are those who start businesses to satisfy the needs of people.

- (a) Self-employed
- (b) Wage-employed
- (c) Both of the above
- (d) None of the above

Answer : (a) Self-employed

5. A self-employed person who is always trying to make his/her business better by taking risks and trying new ideas is called \_\_\_\_\_ .

- (a) Skilled man
- (b) Business man
- (c) Entrepreneur
- (d) None of the above

Answer : (c) Entrepreneur

6. Ramya and Ramu both own plant shops. Ramu sits at his shop every day. When customers come, he sells to them. Ramya walks around and gets customers to her shop. She also sells seeds and flowers. Who is Entrepreneur out of Ramya and Ramu.

- (a) Ramya
- (b) Ramu
- (c) Both of the above
- (d) None of the above

Answer : (c) Both of the above

7. What do entrepreneurs do when they run their business?

- (a) They help in increasing jobs in their area.
- (b) Helping the people in the society to earn money.
- (c) Both of the above
- (d) None of the above

Answer : (c) Both of the above

8. Qualities of successful entrepreneurs are.

- (a) They keep trying new ideas.
- (b) They are confident.
- (c) They are creative
- (d) All of the above

Answer: (d) All of the above

9. Ravi's customer comes to his store and starts shouting at him. He does not get angry. He listens to what his customer is saying. He is \_\_\_\_\_.

- (a) Hardworking
- (b) Confident
- (c) Patient
- (d) Trying new ideas

Answer : (c) Patient

10. Susheela decides to sell her company tyres in Sri Lanka. It does not sell and she has a loss. She apologises to the people who work for her. She says she will plan better next time. She \_\_\_\_\_ .

- (a) takes responsibility for her mistakes
  - (b) thinks before making a decision
  - (c) does not give up
  - (d) is creative
- Answer: (a) takes responsibility for her mistakes

11. As an entrepreneur, you should be \_\_\_\_\_ .

- (a) Creative
  - (b) Hard Working
  - (c) Decision Maker
  - (d) All of the above
- Answer: (d) All of the above

12. An entrepreneur do the things as \_\_\_\_\_ .

- (a) others are doing
  - (b) different from others.
  - (c) a lazy person
  - (d) None of the above
- Answer: (b) different from others.

13. The money used to start a business is called \_\_\_\_\_ .

- (a) Capital
  - (b) Business Money
  - (c) Start ups
  - (d) None of the above
- Answer: (a) Capital

14. Success of entrepreneur depends on \_\_\_\_\_ .

- (a) Hard Work
  - (b) Good Idea
  - (c) Both of the above
  - (d) None of the above
- Answer: (c) Both of the above

15. Which of the following are misconception about Entrepreneur?

- (a) Entrepreneurs are born, not made.
  - (b) A person having a big business is an entrepreneur.
  - (c) A person needs a lot of money to start a business.
  - (d) All of the above
- Answer: (d) All of the above

16. A doctor who works for a hospital is a \_\_\_\_\_ person.

- (a) Wage employed
  - (b) Self employed
  - (c) Both of the above
  - (d) None of the above
- Answer: (a) Wage employed

17. Dr. Ravi has his own clinic so he is a \_\_\_\_\_ Person.

- (a) Self-employed



- (b) Wage-employed
  - (c) Both of the above
  - (d) None of the above
- Answer: (a) Self-employed

**18.** Positive impact of entrepreneurship on society is \_\_\_\_\_

- (a) Accentuates economic Growth
- (b) Encourages welfare of the society
- (c) Solves the problems of the society
- (d) All of the above

Answer: (d) All of the above

**19.** Society plays a role in boosting entrepreneurship by \_\_\_\_\_ .

- (a) Providing raw materials
- (b) Creating needs and demands
- (c) Both of the above
- (d) None of the above

Answer: (c) Both of the above

**20.** Adverse impact of entrepreneurship on society is \_\_\_\_\_ .

- (a) Environmental degradation
- (b) Trade imbalance
- (c) Labour exploitation
- (d) None of the above

Answer: (d) None of the above

**21.** Which of the following social problems are tackled by social entrepreneurs?

- (a) Low reach of quality education
- (b) Unemployment
- (c) Child labour
- (d) All of the above

Answer: (d) All of the above

**22.** Agricultural Entrepreneurship helps farmers in \_\_\_\_\_ .

- (a) finding low-cost innovations in farming processes.
- (b) giving loans to farmers
- (c) giving jobs to the family members of farmers.
- (d) All of the above

Answer: (a) finding low-cost innovations in farming processes.

**23.** Which of the following entrepreneurship refers to starting industries in which manufacturing, trading, providing services, productions are done on a micro scale?

- (a) Women Entrepreneurship
- (b) Agricultural Entrepreneurship
- (c) Small Scale Entrepreneurship
- (d) None of the above

Answer: Small Scale Entrepreneurship

**24.** Entrepreneurship skills helps \_\_\_\_\_ .

- (a) to develop ability to handle failure.
- (b) in making difference to the society.
- (c) to develop critical thinking
- (d) All of the above

Answer: (d) All of the above

25. Which of the following are commercial functions of Entrepreneur?

- (a) Innovation
- (b) Finance and Accounting
- (c) Leadership
- (d) All of the above

Answer : (d) All of the above

26. An enterprise owned and controlled by a woman and giving at least 51 per cent of the employment generated in the enterprise to women is \_\_\_\_\_ .

- (a) Agricultural Entrepreneurship
- (b) Small Scale Entrepreneurship
- (c) Social Entrepreneurship
- (d) Women Entrepreneurship

Answer: (d) Women Entrepreneurship

27. Entrepreneurs can create jobs in the market. ( T / F )

- (a) True
- (b) False

Answer: (a) True

28. When many entrepreneurs sell mobile phones in a market, the prices of phones increase. (T/F)

- (a) True
- (b) False

Answer: (b) False

29. Entrepreneurs identify a need in the market and build a product or service for it. (T/F)

- (a) True
- (b) False

Answer: (a) True

30. All businesses are either skyrocket or fail. (T/F)

- (a) True
- (b) False

Answer: (a) True

### SHORT ANSWER TYPE QUESTIONS

31. State a difference between an entrepreneur and a businessman.

**Ans.** An entrepreneur is different from a conventional businessman. A businessman is someone who sets up a business with an existing idea offering products and services to customers. An entrepreneur, on the other hand, is a person who starts an enterprise with a new idea or concept or a better way to offer an existing idea or concept.

32. What is a business plan?

**Ans.** An entrepreneur conducts studies to assess the feasibility of the market as regards the proposed products or services. He makes an assessment of the resources required to run the enterprise and the problems that may possibly be faced. Such a blue print of an enterprise is termed as a business plan or a project report.

33. Why an entrepreneur is considered as an ‘enterprising man’?

**Ans.** A business does not get started by itself. It is the entrepreneur who takes the risks and is willing to face devastating failure. He braves uncertainty, strikes out on his own wit, devotion to duty and singleness of purpose, somehow creates business and industrial activity where none existed before. His values and activities have become integral to corporate culture.

**34. What is the contribution of the entrepreneurs in the execution of government policies?**

**Ans.** The entrepreneurs provide an important contribution in implementing government policies and achieving the national goals. They cooperate with the government for implementations of development plans of the country.

**35. Explain the quality of an entrepreneur as a passionate person.**

**Ans.** Successful entrepreneurs are passionate about making their business succeed. They genuinely love their work and are willing to put in extra hours to make their business succeed. Success gives them a joy that goes beyond money.

**36. How does an entrepreneur promotes economic prosperity of a country?**

**Ans.** Entrepreneurs can bring about drastic changes in the very structure of the economy. They stand beyond challenges and make huge profits in every economic system. They are an important source of economic development. They create jobs, wealth and capital in the country. They promote investment, increase production and bring competitiveness in business, reduce costs of products and raise the standard of living in society.

**37. Why an entrepreneur is highly optimistic?**

**Ans.** A successful entrepreneur is always optimistic and is not disturbed by the present problems faced by him. He is always optimistic that the situation will become favourable for business in future.

**38. What is entrepreneurship development?**

**Ans.** Entrepreneurship development is the process of improving the knowledge and skills of the entrepreneurs. In other words, it can be said that entrepreneurship development is the process of enhancing an entrepreneur's ability to develop, manage and organise a business venture, while keeping in mind the risks associated with it.

**39. What do you mean by the term entrepreneurial skills?**

**Ans.** Entrepreneurial skills are the basic skills that help an entrepreneur to start, develop, finance and successfully run a business. Every entrepreneur who is starting a business must have a complete knowledge of the various aspects of his/her business, not only for the success of his venture; but also for its growth and expansion.

**40. Explain the risk bearing characteristic of an entrepreneur.**

**Ans.** An entrepreneur has to have patience to see his efforts bear fruit. In the intervening period (time gap between the conception and implementation of an idea and its results), an entrepreneur has to assume risk. If an entrepreneur does not have the willingness to assume risk, entrepreneurship would never succeed.

**41. Do you think an entrepreneur is innovative by nature? Discuss.**

**Ans.** Customer's requirements and tastes keep on changing, therefore, production should meet the customer's requirements. Thus, innovativeness is another important characteristic of an entrepreneur. He always tries to outstrip others by taking initiative in doing new things, i.e. exploring new products, new markets, new raw materials, new methods of production etc.

**42. Do you think entrepreneur is a leader? Discuss.**

**Ans.** An entrepreneur is essentially a leader. According to K.L. Sharma, a psychologist, entrepreneurs are men who exhibit qualities of leadership in solving problems. They have to lead

a team for achievement of goals. Thus, an entrepreneur must have all universally accepted qualities of a leader, i.e. initiative, high energy level, self-confidence, human relations skills, motivational skills, creativity and keen desire to solve problems.

**43. Explain the role of an entrepreneur as a catalytic agent.**

**Ans.** As Joseph Schumpeter says, entrepreneur's task is "creative destruction". He destroys to create new things. He changes and transmutes values. He searches change and responds to it. He is a change creator. Ralph Harwitz writes in his book 'Realities of Profitability', The entrepreneur makes a happening, wants piece of action, is the growth man. Without him there is no happening, no action, no growth.

**44. Define an entrepreneur. Explain the leadership and decision-making qualities of an entrepreneur.**

**Ans.** An entrepreneur is someone who perceives opportunity, organises resources needed for exploiting that opportunity and exploits it.

An entrepreneurial leader realises the importance of initiative and reactivity as they go out of their way to provide all support to the team.

Decision-making is an important function because it includes stabilising organisation's aims and objectives and changes them according to the changing conditions.

**45. Explain the creative and determined nature of an entrepreneur.**

**Ans.** Creativity Creativity is probably the most important trait of an entrepreneur. Entrepreneurs often come up with innovative solutions and repurpose their products to market them to new industries. Repurposing means transforming a product for an alternative use.

Determination Successful entrepreneurs do not believe that something cannot be done. They make determined efforts and work hard to achieve success in all their endeavours.

**46. What are the myths of entrepreneurship? Explain.**

**Ans.** The myths of entrepreneurship are as follows

**(i) It is Easy to Start a Business:** This depends on the scale of the enterprise. Starting up a large entrepreneurial venture is a challenging process. Small scale enterprises are easier to set up. Moreover, the rate of failure of new ventures is quite high all over the world. Just about one-third of all enterprises become profitable only after operating for several years.

**(ii) Lot of Money is needed to Startup a New Venture:** Again, this depends on the type and scale of the business venture. There are ventures that can be started with a small amount of money. Big ventures need a lot of investment.

**(iii) A Startup cannot Borrow from the Banks:** Today our government is promoting startup ventures and offering them loans on easy terms under various government schemes such as MUDRA (Micro-units Development and Refinance Agency) and MSME (Micro, Small & Medium Enterprises) scheme.

**(iv) Businesses either Flourish or Fail:** This is not always the case. Some ventures initially falter or have lackluster growth rates. However, with right re-planning and effort they may go on to achieve a healthy growth.

**(v) A Good Idea is the only Requirement for a Successful Enterprise:** Remember that even the best of ideas need proper execution to become a reality. Ideas are important, but so are planning, talent, leadership, communication and a host of other factors.

**47. Explain the role and significance of entrepreneurs.**

**Ans.** The role and significance of entrepreneurs are discussed below

**(i) Organiser of Society's Productive Resources:** An entrepreneur is the organiser of society's productive resources. He is the person who assembles the unused natural, physical and human resources of the society, combines them properly, establishes effective coordination between them and makes the economic activities dynamic.

**(ii) Helpful in Capital Formation:** An entrepreneur is helpful in capital formation or we know that increase in the rate of capital formation is quite essential for the economic development of any country.

**(iii) Increase in Employment Opportunities:** An entrepreneur creates maximum employment opportunities in the society by way of establishing new industries, developing and expanding the existing industries and by undertaking innovative activities.

**48. Explain the role and significance of an entrepreneur as an enterprising man and a visionary leader.**

**Ans.** Enterprising Man A business does not get started by itself. It is the entrepreneur who takes the risks and is willing to face devastating failure. He braves uncertainty, strikes out on his own and through native wit, devotion to duty and singleness of purpose, somehow creates business and industrial activity where none existed before. His values and activities have become integral to corporate culture.

**Visionary Leader** An entrepreneur has a good vision and sense of mission. He instills inspiration. He is able to recognise potentially profitable opportunities and to conceptualise the venture strategy. He is the key force in successfully moving the idea from the laboratory to the market place. He has the sense of accomplishment.

**LONG ANSWER TYPE QUESTIONS**

**49. Explain the role of an entrepreneur as “Person with higher productivity” and “Ingredient of modern production system.”**

**Ans. Person with Higher Productivity:** Entrepreneurs have the ability to produce more goods and services with less inputs. They play an important role in raising productivity. John Kendrick Bangs writes, “Higher productivity is chiefly a matter of improving production techniques, and this task is the entrepreneurial function par excellence.” Two keys to higher productivity are research and development and investment in new plant and machinery. But there is a close link between R & D and investment programmes, with a higher entrepreneurial input into both.

**Ingredient of Modern Production System:** Entrepreneur has become the ‘balancing wheel’ of modern global economy. They seek the unique product, the marketing breakthrough. They change technical frontiers and reshape public desires. They create wealth and employment.

**50. Discuss the importance of entrepreneurship.**

**Ans.** If we go through the business history of India, we come across many names who have emerged as successful entrepreneurs, like Tatas, Birlas, Dalmia, Modi, Ambani etc. These business houses started as small scale enterprises and have made their name in the list of industrialists of world fame.

The success of small enterprises and their growth to leading industrial houses can be attributed to entrepreneurs themselves. Thus, it is important to understand the success story of such entrepreneurs. There are definitely some common personal characteristics in entrepreneurs.

The entrepreneur is in essence an institution which comprises of all people required to perform various functions. The task of such people is to innovate, adjust or combine various factors of production, and expand on account of change in demand and market conditions.

They must acknowledge the opportunities and must also be in a position to make opportunities out of a given situation.

**(i) It give Freedom:** An entrepreneur is himself a boss or owner and he can take all the decisions independently.

**(ii) It can be Exciting:** Entrepreneurship can be very exciting with many entrepreneurs considering their ventures highly enjoyable. Every day will be filled with new opportunities to challenge your determination, skills and abilities.

**(iii) It Allows to Set your own Earnings:** The principal focus of entrepreneurship is wealth creation and improved livelihood by means of making available goods and services. Entrepreneurial ventures generate new wealth. New and improved products, services or



technology from entrepreneurs, enable new markets to be developed and new wealth to be created.

**(iv) If offers Flexibility:** As an entrepreneur you can schedule your work hours around other commitments, including quality time you would spend with your family.

**(v) Status:** Success in entrepreneurship brings a considerable fame and prestige within the society.

**(vi) It offers Ambition-fulfilment:** Through entrepreneurship one can fulfil his ambitions into original products or services.

## 51. Describe the disadvantages of entrepreneurship as a career.

**Ans.** Some of the common disadvantages of entrepreneurship as a career are as follows

**(i) Huge Amount of Time:** You have to dedicate a huge amount of time to your own business. Entrepreneurship is not easy and for it to be successful, you have to take a level of time commitment.

**(ii) Risk:** Entrepreneurship involves high risk of loss. If the business fails then it will wipe away all the personal savings.

**(iii) Hard Work:** Entrepreneur has to work very hard to make the new business very successful.

**(iv) Uncertain Amount:** There is no regular or fixed income available to an entrepreneur. So, there is always uncertainty in terms of income.

**(v) Incompetent Staff:** A new entrepreneur may not be able to hire qualified and experienced staff so there are chances of incompetency by the staff due to lack of experience and knowledge.

## 52. Write the Pros and Cons of being an entrepreneur

**Ans: PROS:**

- **Freedom:** There's no denying that one of the best parts of being an entrepreneur is the complete freedom you have to do your own thing. No more bosses to report to, or managers peering over your shoulder – now you've gone from the bottom all the way to the top. You are the boss.
- **Flexibility:** Many people are excited to work for themselves because it means they can work when they want and where they want. Your commute could be as simple as walking to the couch or taking a stroll to the local coffee shop.
- **Control:** Many budding entrepreneurs value control. Getting your own venture off the ground requires heavy lifting but at the end of the day, it's your dream and you are in control of making it happen. Having influence over the direction of the company is one of the most exciting parts of being an entrepreneur.
- **Profits:** Instead of making others richer, now your profits can slide right into your own pocket. This means each business success becomes your success, and as your business grows, so does your potential income. This can be incredibly motivating for many new entrepreneurs on the path to success.

**CONS:**

- **Responsibility:** Not only is the future of your business in your hands but so is your next paycheck. Moving away from a salaried job to an unstable income is hard. There is great sacrifice that comes from starting your own business, and while the pay-off may be worth it, carrying the weight of responsibility can be difficult at first.
- **Risk:** As the business owner, you will take on much of the risk associated with starting a new venture. This means, instead of your employer taking the fall, you're often risking your savings, time and effort to get your business off the ground.
- **Workload:** It takes serious hustle to get a new business up and running, and for the most part, you'll be doing all the grunt work – especially in the early stages. All the heavy lifting can be hard for one person to manage. While it can be an exciting time, full of possibility, it can also be exhausting.

- **Limitations:** The idea of running your own business can be very different to the reality. From late nights to lonely weekends, being an entrepreneur is not without its challenges. You can also find it quite limiting in the early stages, without the funding of a big name or well-established business behind you.

**53. Explain characteristics or qualities of an entrepreneur.**

**Ans.** The characteristics of successful entrepreneurs are as follows

- (i) **Goal-oriented:** Entrepreneur is goal-oriented. Firstly, he sets a goal to achieve, i.e. to earn profit by producing goods and services and after reaching one goal he proceeds to another goal.
- (ii) **Highly Optimistic:** A successful entrepreneur is always optimistic and is not disturbed by the present problems faced by him. He is always optimistic that the situation will become favourable for business in future.
- (iii) **Trust in Self:** An entrepreneur does not believe in luck or fate. He believes in his own firm decisions and actions. He has trust in his perseverance and creations. He pulls his own strings.
- (iv) **Leadership:** An entrepreneur must possess the characteristics of leadership and must lead a team for achievement of goals. The leader is able to clearly articulate their ideas and has a clear vision.
- (v) **Innovativeness:** With the changing needs and requirements of customers production should meet requirements with the help in innovative ideas. An entrepreneur does not have to restrict himself to just one innovation rather he must use combination of innovation.
- (vi) **Decision-maker:** An entrepreneur has to take many decisions to put his business idea into reality. He chooses the best suitable and profitable alternative.

**54. What are the functions of an entrepreneur? Explain.**

**Ans.** The functions of an entrepreneur are as follows

- (i) **New Inventions:** Encouraging new inventions and introducing innovations in production, production techniques, sales, marketing, advertisement etc.
- (ii) **Establishing Relations with Government:** To establish relations with government and its functionaries. In this regards his functions are (a) obtaining licences, (b) payment of taxes, (c) selling the product to government, (d) Provision for export-import etc.
- (iii) **Size and Scale of Business Unit:** To decide about size of business unit, i.e., he wants to establish one production unit or more etc. which is dependent upon demand of the product. Similarly, he has to decide about scale of production, i.e., small scale, middle scale or large scale.
- (iv) **Organisation and Management:** An entrepreneur organises and manages various economic and human factors through planning, coordination, control, supervision and direction.
- (v) **Factors of Production:** Another important function of an entrepreneur is the factors of production i.e. land, labour, capital etc., should be in right proportion and to maximise output of these factors is the responsibility of the entrepreneur.

**QUESTIONS AND ANSWERS (SET 01)**

**A. MULTIPLE CHOICE QUESTIONS.**

**Q1. Which of the following characteristics should an entrepreneur have?**

- (a) Innovativeness
  - (b) Motivator
  - (c) All of these
- Ans. (c) All of these**

**Q2. Which of the following is a disadvantage of entrepreneurship as a career?**

- (a) Uncertainty
- (b) Independence
- (c) Ambition fulfillment

**Ans. (a) Uncertainty**

**Q3. Which of the following are the functions of an entrepreneur?**

- (a) Innovation
- (b) Risk-taking
- (c) All of these

**Ans. (c) All of these**

**Q4. Which of the following is an advantage of entrepreneurship as a career?**

- (a) Risk
- (b) Hardwork
- (c) None of these

**Ans. (c) None of these**

**Q5. The decision-making function of an entrepreneur includes:**

- (a) Hardwork
- (b) Risk bearing
- (c) Utilisation of financial resources

**Ans. (c) Utilisation of financial resources**

**Q6. 'An entrepreneur has to get the work done through others.' Which characteristic of the entrepreneur does this statement depict?**

- (a) Motivator
- (b) Organiser
- (c) Innovator

**Ans. (a) Motivator**

## **B. ANSWER THE FOLLOWING QUESTIONS.**

**Q1. What is meant by an entrepreneur?**

**Ans.** An entrepreneur is an individual who creates a new business, bearing most of the risks and enjoying most of the rewards. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services, and business/or procedures.

**Q2. State the main characteristics of an entrepreneur.**

**Ans.** Characteristics of an Entrepreneur: Leadership, risk-taking, innovativeness, goal-oriented, decision-maker, highly optimistic, motivator, self-confident, action-oriented, dynamic agent, high achiever, trust in self.

**Q3. State the functions of an entrepreneur.**

**Ans. The function of an Entrepreneur:** Innovation, risk-taking, decision-making, organization and management, size and scale of Business unit, the appointment of Managerial and another workforce, to arrange for factors of production and establishing coordination, Procuring raw material and machinery, control and direction, finding a suitable market, new inventions, establishing relations with government, establishing contacts with competitors.

## **C. SHORT ANSWER QUESTIONS.**

**Q1. Who is an entrepreneur?**

**Ans.** An entrepreneur is an individual who sets up business or businesses, identifies and solves problems, creative, innovative, opportunist, risk-taker, self-starter, and open-minded with the hope of making a profit from the enterprise.

**Q2. Explain briefly Innovation as characteristics of an entrepreneur.**

**Ans. Innovativeness:** Customer's requirements and tastes keep on changing, therefore, production should meet the customer's requirements. Thus, innovativeness is another important characteristic of

an entrepreneur. He always tries to out strive others by taking initiative in doing new things, i.e., exploring new products, new markets, new raw materials, new methods of production, etc.

**Q3. Do you think an entrepreneur is innovative by nature? Discuss.**

**Ans.** An innovative entrepreneur is a person who discovers totally new things. An innovative owner is a person who creates innovative products and services. An innovative entrepreneur is a person who innovates the business processes in his business. An innovative person is a person who is not afraid to take a risk.

**Q4. Do you think an entrepreneur is a leader? Discuss.**

**Ans.** An entrepreneur essentially a leader. According to K.L. Sharma, a psychologist, entrepreneurs are men who exhibit qualities of leadership in solving problems. They have to lead a team for the achievement of goals. Thus, an entrepreneur must have all universally accepted qualities of a leader, i.e., initiative, high energy level, self-confidence, human relations skills, motivational skills, creativity, and keen desire to solve problems.

**Q5. Give two advantages of entrepreneurship as a career.**

**Ans.** Advantages of Entrepreneurship as a Career: Independence, ambition fulfillment, excitement, freedom, wealth creation, and status.

**Q6. State two disadvantages of entrepreneurship as a career.**

**Ans.** Disadvantages of Entrepreneurship as a Career: Risk, hard work, uncertain income, the problem of finance, and incompetent staff.

**D. Long answer questions.**

**Q1. Write an essay on the qualities of an entrepreneur.**

**Ans. Qualities/characteristics of a successful entrepreneur:** The success of small enterprises and their growth to leading industrial houses can be attributed to entrepreneurs themselves. Thus, it is important to understand the success story of such entrepreneurs. There are definitely some common personal characteristics in entrepreneurs. After carefully scanning the qualities/characteristics of such entrepreneurs the principal ones were noticed, which are as follows:

**1. Leadership:** An entrepreneur essentially a leader. According to K.L. Sharma, a psychologist, entrepreneurs are men who exhibit qualities of leadership in solving problems. They have to lead a team for the achievement of goals. Thus, an entrepreneur must have all universally accepted qualities of a leader, i.e., initiative, high energy level, self-confidence, human relations skills, motivational skills, creativity, and keen desire to solve problems.

**2. Risk-taking:** business risks are unpredictable but still an entrepreneur, with rational planning and firm decisions, bears the risks. An entrepreneur innovates an idea and undertakes the risk of commercially exploiting that idea by investing his funds because he recognizes the fact that - the higher the risk, the greater is the profit.

**3. Innovativeness:** Customer's requirements and tastes keep on changing, therefore, production should meet the customer's requirements. Thus, innovativeness is another important characteristic of an entrepreneur. He always tries to out strive others by taking initiative in doing new things, i.e., exploring new products, new markets, new raw materials, new methods of production, etc.

**4. Goal-oriented:** The entrepreneur is goal-oriented. First, he sets a goal to achieve, i.e., to earn profit by producing goods and services, and after reaching one goal he proceeds to another goal.

**5. Decision-maker:** The entrepreneur is regarded as a decision-maker. He has to take many decisions to put his business idea into reality. He recognizes an idea i.e., a product, service, or market, and out of various alternatives before the time he has to make a choice between them. This involves decision-making to choose the best suitable and profitable alternative.

**6. Motivator:** An entrepreneur has to get the work done through others. Hy has to create a spirit of teamwork and motivate them so that he gets wholehearted cooperation.



**7. Self-confident:** An entrepreneur should have self-confidence in achieving his goals, otherwise he will not be able to convince his fellow beings to achieve his goals.

**Q2. Define 'entrepreneur'. What are the various functions of an entrepreneur?**

**Ans. Entrepreneur:** An entrepreneur is an individual who creates a new business, bearing most of the risks and enjoying most of the rewards. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services, and business/or procedures.

The various functions of an entrepreneur may be classified and described as under

- 1. Innovation:** It includes (a) Introducing new products, (b) Opening new markets (c) New sources of raw material, and (d) New organization structure.
- 2. Risk-taking:** Choosing one among various alternatives, the end results of which are unpredictable.
- 3. Decision making:** Includes: (a) Stabilising organization's aims and objective and changing them according to changing conditions or to make the most profitable, (b) Division of work among subordinates, (c) Utilisation of financial resources, (d) Taking decisions on effective techniques, (e) Selling the produced as per the demand of customers, (f) Relationship with social functionaries.
- 4. Organisation and management:** To organize and manage various economic human factors. Under this category, the following are his functions: (a) Planning the enterprise, (b) Coordination and control, (c) Supervision, and (d) Direction
- 5. Size and scale of business unit:** To decide about the size of a business unit, i.e. wants to establish one production unit or more, etc. which is dependent on the demand of the product. Similarly, he has to decide about the scale of productivity i.e., small scale, middle scale, or large scale.
- 6. Appointment of managerial and another workforce.**
- 7. To arrange for factors of production and establishing coordination, i.e., land, labor, capital, etc. in appropriate proportion and to maximize output by best utilization of these factors after coordinating them.**

**Q3. Discuss the importance of entrepreneurship.**

**Ans. Role and Significance / Importance of Entrepreneur:** Enterprising man, great achievers, reinvesting organizations, job creation, first movers, higher productivity, visionary leader, economic prosperity, the backbone of the capitalist system, protector of society's interest, catalytic agent, an ingredient of a modern production system.

**Q4. State five myths of entrepreneurship.**

**'OR'**

**What are the myths about entrepreneurship?**

**Ans.** Myths of entrepreneurship

- 1. It is easy to start a business:** In reality, starting a successful business is a very difficult and challenging process. The rate of failure of new ventures is high. Even after a period of seven years, only one-third of the enterprises are profitable. However, it is relatively easy to start a very small business than a large company.
- 2. Lot of money is needed to start a new business:** A business can be started with limited money. For example, Infosys Technology was started with only 10,000. In the beginning, you can hire space and equipment.
- 3. A Startup cannot borrow from banks:** Under various schemes like MUDRA, budding entrepreneurs also can raise loans from banks.
- 4. Talent is more important than an industry:** The nature of the industry an entrepreneur chooses has a great effect on success and growth. For example, if you enter an industry wherein competition is cutthroat or materials are scarce, you may fail.
- 5. Most startups are successful:** A large percentage of startups fail. The average profit of an owner-managed firm is 20,000 per month. A very few entrepreneurs earn more than employees.

**Q5. Describe six advantages of entrepreneurship as a career.**

**Ans.** The main advantages of adopting entrepreneurship as a career are as follows:



- 1. Independence:** An entrepreneur is his own boss. He can take all decisions himself. He need not obey someone.
- 2. Ambition - Fulfilment:** Some people want to convert their original ideas into a new product or service, for example, smartphones, electric vehicles, driverless trains, etc.
- 3. Excitement:** Entrepreneurship involves adventure. Some people resign from their well-paid jobs and launch their own venture due to excitement.
- 4. Freedom:** Entrepreneurship allows the freedom to try out one's ideas. Freedom-seeking people choose entrepreneurship as a career.
- 5. Wealth Creation:** Successful entrepreneurs create enormous wealth for themselves and their staff.
- 6. Status:** Success in entrepreneurship brings considerable fame and prestige. Narayana Murthy, Sunil Mittal, Rana Kapoor, Subhash Chandra, and other successful entrepreneurs are known all over the world.

**Q6. Describe five disadvantages of entrepreneurship as a career.**

**Ans.** Disadvantages of Entrepreneurship as a Career:

- 1. Risk:** Entrepreneurship involves a considerable risk of loss. Failure can wipe away all the personal savings and lead to a considerable debt - burden.
- 2. Hard Work:** An entrepreneur has to work very hard to make the new business successful. His work schedule is unpredictable and he has to work late hours. Spouse and children may have to suffer due to his very busy work schedule.
- 3. Uncertain Income:** No fixed and regular income is available to an entrepreneur. During the startup stage, it may be difficult even to meet household expenses.
- 4. Problem of Finance:** Raising the necessary funds is very difficult for a first-generation entrepreneur.
- 5. Incompetent Staff:** A new entrepreneur may not be able to hire and retain qualified and experienced employees. The administrative burden is heavy and faulty decisions can be very harmful to the business.

### QUESTIONS AND ANSWERS (SET 02)

Q1. What do you mean by Entrepreneurship ?

**Ans.** Entrepreneurship is the type of self-employment where one is running a business and looking for ways to make the business better to make profits.

Q2. Write four qualities of successful Entrepreneur?

**Ans.** Four qualities of successful Entrepreneur are :

- a) They are confident.
- b) They keep trying new ideas in their business.
- c) They take responsibility for their actions.
- d) They do not give up when they face a difficulty.

Q3. What is the difference between Wage employed and Self employed people?

**Ans.** Wage employed people are people who work for a person or an organization and get paid for that work. Self-employed people are those who start businesses to satisfy the needs of people.

Q4. What do you mean by Entrepreneur?

**Ans.** A self employed person who is always trying to make his/her business better by taking risks and trying new ideas is an entrepreneur.

Q5. Ramya and Ramu both own plant shops. Ramu sits at his shop every day. When customers come, he sells to them. Ramya walks around and gets customers to her shop. She also sells seeds and flowers with her plants. Who is Entrepreneur out of Ramya and Ramu and why?

Ans. Ramya is entrepreneur as she is working to grow her business. She has also added a different idea to her business.

Q6. Bharti is a young woman from Bihar. Many girls in her area like to wear earrings. She buys jute from a farmer and makes earrings from that. Her business is called Manavi Natural Handicrafts. She sees that most women in her village do not work. So, she hires two women to help them.

Read the above paragraph and answer the following questions.

1) What demand did Bharti identify in her village?

- (a) People in her village wanted Jute
- (b) Girls in her area liked to wear earrings
- (c) The villagers wanted more water

Ans. (b) Girls in her area liked to wear earrings

2) What is the local resource that Bharti used?

- (a) Jute
- (b) Water
- (c) Sand

Ans. (a) Jute

3) How is Bharti helping her village grow?

- (a) By buying jute from the local farmer who can now earn more money
- (b) By providing jobs to local women
- (c) Both (a) and (b)

Ans. (c) Both (a) and (b)

4) How was she creating more jobs?

- (a) By selling earrings to women without a job
- (b) By buying jute from the local farmer
- (c) By providing jobs to local women

Ans. (c) By providing jobs to local women

Q7. Write four functions of an Entrepreneur.

Ans. Four functions of an Entrepreneur are:

- 1 Making Decisions.
2. Managing the Business.
3. Taking Risk.
4. Create new method, Idea or Product

Q8. Write four Misconceptions about Entrepreneurship.

Ans. Four Misconceptions about Entrepreneurship are :

- a) Every business idea needs to be unique or special.
- b) A person needs a lot of money to start a business.
- c) A person having a big business is an entrepreneur.
- d) Entrepreneurs are born, not made.

Q9. Match each story below with the misconception about entrepreneurship.

NOTE : Answers are matched in same color

Story	Misconception
Ramu owns a large clothes shop. Shamu has a small	(a) Every business idea needs

store selling handmade sarees. Shamu does not call himself an entrepreneur.	to be unique or special.
Anna has a great idea for a website. She has 5,000. She is waiting for 20,000 more, so that she can start it.	(b) Entrepreneurs are born, not made.
In a city of thousands of tailoring shops, Gauri is a tailor who stitches good quality clothes and has a very successful business.	(c) A person needs to have a big business to be called an entrepreneur.

Q10. Write against the option, if the business idea is of self-employment or wage employment.

(a) Cooking in a restaurant	Wage employment
(b) Owning a clothing business	Self-employment
(c) Having a dosa selling stall	Self-employment
(d) Doctor working in Hospital	Wage employment
(e) Doctor has his/her own clinic	Self-employment

Q11. Match the condition with entrepreneur Career Process Phase (Enter, Survive, Grow)

NOTE : Answers are matched in same color

1. Surabhi opens 5 painting stores across India	Enter
2. There are many coaching classes in Mumbai. Jacob owns one of them. He is starting morning batches to attract more students to his classes	Survive
3. Salma has started her clothing line on the Internet.	Grow

Ans: 1 – Grow, 2 – Survive and 3 - Enter

Q12. Match the condition with entrepreneur Career Process Phase (Enter, Survive, Grow)

NOTE : Answers are matched in same color

1. After five years, Sanjana has opened a chain of four more grocery stores in the same city	Enter
2. Sanjana is starting a small grocery store in a locality.	Survive
3. There are many other grocery stores in the area. Yet, Sanjana's store survives the competition and does well	Grow

Ans: 1 – Grow, 2 – Enter and 3 - Survive

Q13. Here are some stories of some entrepreneurs. Tick the option for the quality they are showing.

(1) Ravi's customer comes to his store and starts shouting at him. He does not get angry. He listens to what his customer is saying. He is \_\_\_\_\_.

- (a) hardworking
- (b) confident
- (c) patient
- (d) trying new ideas

Ans. (c) Patient

(2) Susheela decides to sell her company's product in Sri Lanka. It does not sell and she has a loss. She apologizes to the people who work for her. She says she will plan better next time. She \_\_\_\_\_.

- (a) takes responsibility for your mistakes
- (b) thinks before making a decision
- (c) does not give up
- (d) is creative

Ans. (c) does not give up

Q14. Tick the correct option for the function that the entrepreneur is doing.

(1) Ali has a diamond factory. He pays his employees on the 1st of every month.

- (a) Creates a new product
  - (b) Manages the business
  - (c) Takes risk
- Ans. (b) Manages the business

(2) Mary buys bulbs for her business from Noida. She learns that bulbs are cheaper in Faridabad. So, she decides to start buying bulbs from there.

- (a) Makes decisions
- (b) Divides income
- (c) Takes risk

Ans. (a) Makes decisions

(3) Rehnuma has two people who work for her. Every day, she spends one hour with them to learn about what they've done that day.

- (a) Creates a new product
- (b) Divides income
- (c) Manages the business

Ans. (c) Manages the business

Q15. State whether the following statements are True or False

1 Entrepreneurs can create jobs in the market.

Ans. True

2. When many entrepreneurs sell mobile phones in a market, the prices of phones increase.

Ans. False

3. Entrepreneurs identify a need in the market and build a product or service for it.

Ans. True

4. Entrepreneurs who do not have an innovative idea cannot succeed.

Ans. True

5. Entrepreneurs exhibit high risk-taking ability, but they take calculative risks.

Ans. True

6. Nothing matters more than the business idea.

Ans. False

7. Any one can acquire and develop entrepreneurial skills.

Ans. True

8. Entrepreneurship is a process of constant learning.

Ans. True

Ans. True

Q16. Write four positive impact of Entrepreneurship on society.

Ans. Four positive impact of Entrepreneurship on society. (Write any four )

1. Accentuates economic Growth
2. Stimulates Innovation and Efficiency
3. Creates Jobs and Employment Opportunities
4. Solves the problems of the society
5. Encourages welfare of the society

Q17. Entrepreneur plays an important role in \_\_\_\_\_ of Society

- a. making
- b. evolving
- c. growing
- d. None of the above.

Ans. c. growing

Q18. Entrepreneur is/are \_\_\_\_\_

- a. Risk taker
- b. Hard Working
- c. Innovative
- d. All of the above

Ans. d. All of the above

Q19. Write any two disadvantages of Entrepreneurship as a career.

Ans. Two disadvantages of Entrepreneurship as a career are :

1. No Fixed income
2. Problem of generating finance in the beginning of career.

Q20. Entrepreneur is a \_\_\_\_\_ of growing society.

- a. builder
- b. destroyer
- c. citizen
- d. None of the above

Ans. a. builder

Q21. \_\_\_\_\_ is not the characteristics of entrepreneur.

- a. Hard Work
- b. Lazy
- c. Decision Maker
- d. None of the above

Ans. b. Lazy

Q22. How entrepreneurs help in growing the area and society?

Ans. Entrepreneurs run their businesses in a market. The market has people who buy products and services and people who sell them also. When people are buying and selling from each other, it is helpful for everyone because everyone involved makes money. This is how entrepreneurs help in growing the area and society.

Q23. Entrepreneurs also \_\_\_\_\_ (increasing / decreasing) jobs in the society.

Ans. increasing

### QUESTIONS AND ANSWERS (SET 03)

#### 1. What is entrepreneurship?

**Answer :** Entrepreneurship is simply described as starting a business using the resources available to a person.

An entrepreneur combines factors in a creative manner in order to generate value for customers and create wealth.

#### 2. What is Society?

**Answer :** Society is described as an aggregate of people living together in a community, who associate for various engagements including business.

#### 3. What is the beauty of entrepreneurship in a society?

**Answer:** The beauty of entrepreneurship in a society is that, as businesses prosper the impact the businesses create also increases.

It is due to entrepreneurial activity that society is provided with goods and services.



#### 4. How society is related to the entrepreneur?

**Answer :** There is a direct relationship between the entrepreneur and society. **Society provides market** for products and **services provided by the Entrepreneur.**

#### 5. Write the positive impact of Entrepreneurship on society.

**Answer:** Entrepreneurship has some positive impacts on society. These are:

- Accentuates Economic Growth
- Fosters Creativity
- Stimulates Innovation and Efficiency
- Creates Jobs and Employment Opportunities
- Solves the problems of the society
- Encourages welfare of the society

#### 6. How is society boosting entrepreneurship?

**Answer:** Society plays a role in boosting entrepreneurship by:

- Creates needs and demands
- Provides raw materials
- Enables financial support
- Creates a need for education
- Catalyses policy formation and reform
- Facilitates networking
- Supports infrastructure development

#### 7. What adverse impact is created by entrepreneurship on society?

**Answer :** Adverse impacts created by entrepreneurship on society are

- (a) environmental degradation,
- (b) trade imbalance,
- (c) labour exploitation, etc.

#### 8. How does entrepreneurs and entrepreneurship contributes to society?

**Answer :** Entrepreneurs and entrepreneurship contributes to society are

- (i) Entrepreneurship Creates Jobs,
- (ii) Entrepreneurship helps raise the standard of living,
- (iii) Successful entrepreneurs as Role models generate more entrepreneurship
- (iv) Community / Society Development

#### 9. How entrepreneurship contributes to a country's economy?

**Answer :** Entrepreneurship contributes to the country's economy are:-

- (i) Entrepreneurship creates wealth
- (ii) Contribute to the growth of the overall economy by stimulating the growth of related businesses,
- (iii) Regional Development,
- (iv) GDP and Per Capita income,
- (v) Exports

#### 10. How entrepreneurship contributes to an Individual?

**Answer:** Entrepreneurship contributes to an Individual's are

- (i) Gives Independence and Freedom to set your own schedule.
- (ii) Gives flexibility to work
- (iii) Makes one own boss,
- (iv) Earns individual much respect.

#### 11. What is Social Entrepreneurship?

**Answer :** Social entrepreneurship develops a sustainable solution for social problems that leads to social change by employing entrepreneurial mindset, processes and operations. Many social problems are tackled by social entrepreneurs such as the low reach of quality education, health, and sanitation, unemployment, child labour etc.

### **12. What is Agricultural Entrepreneurship?**

**Answer :** Agricultural Entrepreneurship is related to the marketing and producing inputs and products used in agricultural activities.

### **13. How farmers are benefited by Agricultural Entrepreneurship?**

**Answer :** Farmers have benefited the most with rise in agricultural entrepreneurship as **it has led to low-cost innovations in farming processes.**

### **14. What is Women Entrepreneurship?**

**Answer :** The entrepreneurial activity led by women, where women undertake risks, create enterprises, organise factors of production, innovate with products/services and generate employment opportunities, is called Women Entrepreneurship.

### **15. According to the Govt. of India, what is Women Entrepreneurship?**

**Answer :** According to the Govt. of India, “an enterprise **owned and controlled by a woman** having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women.”, called Women Entrepreneurship.

### **16. What is Small Scale Entrepreneurship?**

**Answer :** Small scale entrepreneurship refers to starting industries in which manufacturing, trading, providing services, productions are done on a small scale or micro scale. These businesses serve as the backbone of many developing countries.

### **17. What are the qualities of a successful Entrepreneur?**

**Answer:** Successful entrepreneurs have the following qualities.

- They are confident.
- They believe in themselves and their abilities.
- They keep trying new ideas in their business.
- They are patient.
- They are creative and think differently about business ideas.
- They take responsibility for their actions.
- They take decisions after thinking about them.
- They work hard.
- They do not give up when they face a difficulty

### **18. What are the qualities of an Entrepreneur?**

**Answer:** An Entrepreneur has the following qualities:-

- (i) Hard Work,
- (ii) Optimism,
- (iii) Independence,
- (iv) Energetic,
- (v) Self-confident,
- (vi) Perseverant

### **19. How many hours do successful entrepreneurs work?**

- **Answer:** On average, successful entrepreneurs are found to be working anywhere between **60 to 90 hours per week.**

**20. Does an Entrepreneur like to work under anyone else?**

- **Answer:** No,  
They prefer to be their own master and not work under someone else. Entrepreneurs like the independence to drive a business on their own.

**21. What are the functions of an Entrepreneur?**

**Answer:** An Entrepreneur has the following qualities :-

- (i) Entrepreneurial functions,
- (ii) Promotional functions,
- (iii) Managerial functions.
- (iv) Commercial functions

**22. What are the Entrepreneurial functions of an Entrepreneur?**

**Answer:** Entrepreneurial functions of an Entrepreneur are:-

- (a) Organisation Building and Management
- (b) Risk-Taking
- (c) Innovation

**23. What are the Promotional functions of an Entrepreneur?**

**Answer:** Promotional functions of an Entrepreneur are:-

- (a) Idea Discovery
- (b) Detailed Investigation
- (c) Assembling the Requirements
- (d) Financing

**24. What are the Managerial functions of an Entrepreneur?**

**Answer:** Managerial functions of an Entrepreneur are:-

- (a) Planning
- (b) Organizing
- (c) Directing
- (d) Staffing
- (e) Leadership
- (f) Communication
- (g) Supervision
- (h) Motivation
- (i) Co-ordination
- (j) Controlling
- (k) Negotiation

**25. What are the Commercial functions of an Entrepreneur?**

**Answer:** Commercial functions of an Entrepreneur are:-

- (a) Production and Operations
- (b) Finance and Accounting
- (c) Marketing
- (d) Human Resource Management

**26. What are the different roles of an Entrepreneur?**

**Answer:** An entrepreneur can be in the following role:

- (i) Innovator's Role
- (ii) Agent's role
- (iii) Coordinating role
- (iv) Risk assumption role
- (v) Capital formation role

- (vi) Imitating role
- (vii) Employment Generation role
- (viii) Status transformation role
- (ix) Balancing role

**27. What do you mean by an Innovator's role of an Entrepreneur?**

**Answer:** Entrepreneurs innovate by bringing unique and new products and services into the market. In many cases, these are improved versions of existing products or services available. Innovation fuels economic growth and helps to boost the global presence of products and services.

**28. Entrepreneurs act as "Agents of change".**

**Explain the above statement.**

**Answer:** Entrepreneurs act as 'Agents of Change' as they identify opportunities, solve problems, offer effective solutions, establish enterprises, set up industries, and bring positive change for the economy.

