

ME Imp Questions

- 1) Define the term Entrepreneur. Explain the stages of Entrepreneurial process
→ An entrepreneur is an individual who has the capacity & willingness to develop, organise & manage a business venture along with any of its risks in order to make a profit

The stages of Entrepreneurial process are

- 1] Identification of opportunity
 - * It is the 1st step in Entrepreneurship process
 - * It starts with identification of an opportunity which may be his own idea or from outside sources like business associates, independent technical organisations, consumers etc
 - * An entrepreneur identifies the need of the product from distributor, retailer or directly from consumer

2] Evaluation of opportunity

- * Here the entrepreneur evaluates the given opportunity
- * He assesses whether the specific product or service provides sufficient return on investment
- * The evaluation process involves
 - 1] Length of opportunity
 - 2] Its risks & returns
- 3] Its competitiveness in present market
- 4] SWOT Analysis
- * Strength & weakness are internal factors & opportunities & threats are external factors

- * Finally by evaluating the opportunities the entrepreneur will decide whether to go for it or not

3) Development of Business plan

* It contains the following in order

- 1) Title of the project
- 2) Description of business
- 3) Technology plan
- 4) Financial plan
- 5) Organisational plan
- 6) Production & operation plan
- 7) Marketing & Distribution plan

* A good business plan is essential for the success of enterprise

4) Determination & Organising the Resources

* This process starts with assessment of present resources

* Here the number & nature of resources required to run the enterprise is planned

5) Management of Enterprise

* After the arrangement of resources, they are used to implement the Business plan

* The management should be able to manage the operational problems of growing enterprise

* Hence in the entrepreneurial process a mgmt with all functions like planning, organising, staffing, directing & controlling is required

2] Define creativity & innovation. list & explain the sources of new ideas for entrepreneurs.

- Creativity is the phenomenon of creation of something new & valuable
- * Innovation is implementation of new ideas at individual, group & organisational level
- * The sources of new ideas for entrepreneurs:

1) Basic Research

- * It can lead to development of new product ideas that have already passed screening stages

2] Production stage

- * Workers actively engaged with production of products can suggest certain modifications & improvement

3] Salesforce

- * Sales representatives are directly in touch with the customers can provide better ideas

- 4] Management

- Mgmt Based on knowledge skills & experience can come up with new ideas for product development

5] Buyers

Entrepreneur while keeping track of requirements of the customer can get useful idea for developing better products

6] Sellers

Can provide new ideas as they act as link between producer & customer

- 4] Explain the role of KIADB & NSIC as institutional support system for MSME's
- KIADB - Karnataka Industrial Areas Development Board (www.kiadb.in)
- * It promotes rapid & orderly establishment & development of industries
 - * It provides industrial infrastructural facilities & other amenities in industrial areas of Karnataka
 - * It provides acquisition/requisition of lands for industrial & infrastructural projects
 - * It has developed 160 industrial areas in 29 districts ensuring balance industrial development in all regions

NSIC - National Small Industries Corporation (www.nsic.co.in)

- * It promotes & develops micro & small scale industries & enterprises in the country
- * It helps in organising supply of raw materials like coal, iron, steel & other materials & machines needed for small scale private industries
- * It provides assistance to small scale industries by financing, training, providing raw materials for manufacturing, marketing of finished products of SSI
- * It helps SSI by mediating with government owned banks to provide cheap finance & loans to budding small private industries.

- 5) Describe the role of MSME's in improving employment opportunities in India
- It provides largest share of employment after agriculture & has better record of employment generation per rupee investment
- 2) It generates immediate & large scale employment opportunities with relatively low investment
- 3) It eradicates unemployment problems from the country
- 4) It promotes balanced regional development in the whole country
- 5) It brings backward areas too in the mainstream of national development
- 6) It encourages inclusive growth
- 7) It improves the level of living of people in the country
- 8) It ensures equal distribution of national income

- 6) Explain the significance of IPR
- 1) Creates & supports high paying jobs
- 2) Drives economic growth & competitiveness
- 3) Encourages innovation & researches too entrepreneurs
- 4) Generates breakthrough solutions to global challenges like pharma, agriculture etc
- 5) Protects consumers & families to make an educated choice about safety, reliability & effectiveness of their purchase