



TEXTBOOK QUESTIONS SOLVED

Question 1. Answer the following questions in about 15 words:

1. Who is an Intrapreneur?
2. Define Entrepreneurial Motivation.
3. What do you mean by competency?
4. Which value provides goal direction to entrepreneurs?
5. State one crucial feature of Fabian entrepreneurs?
6. 'Hero Motocorp manufactures two wheelers and provide services.' This is an example of which type of entrepreneur?
7. "They are highly ambitious and normally not satisfied by slow progress in their jobs." This applies for which entrepreneurs?
8. "When it wanes, as it surely will in difficult times, take some guilt time." This statement shows which attitude of an entrepreneur?

Answer:

1. Definition: "Intrapreneur": An entrepreneur-like individual works inside a large company, and acts to get things done, to manage large critical projects, and/or to develop new products. These individuals usually start as successful project managers.
Or
 - An inside intrapreneur or an entrepreneur within a large firm, who usually used/ uses entrepreneurial skills without incurring the risks associated with those activities.
 - Intrapreneur uses his skills, talent and share his idea associated with those activities.
 - They are usually an employees within a company who are assigned a special idea or project.
2. It is defined as the process that activated the entrepreneurs to exert a high level of effort for the achievement of his/her goal.
Or
In other words it can be defined as drive or forces within an entrepreneur that effect his/her direction, intensity and persistence of voluntary behaviour.
Or
Entrepreneurial motivation is the drive of an entrepreneur to maintain an entrepreneurial spirit in all their actions.
3. Competency is a set of defined behaviours that provide a structured guide enabling the identification, evaluation and development of the behaviours in an individual.
4. 'Respect for work'. All entrepreneur believe that they can achieve anything through hard work. This value provides goal direction which encourages them to persue a path and incentives are linked to the degree and quality of efforts made.
5. Fabian entrepreneurs are very shy, lazy, cautious and do not venture or take risk.
6. Industrial Entrepreneur.
7. Innovative Entrepreneurs.
8. Attitude are gradually learnt over a period of time. The

process of learning attitude starts from childhood and it continues throughout the life of a person.

Question 2. Answer the following in about 50 words:

- (i) Why attitude is called pervasive?
- (ii) Explain any two features of attitude.
- (iii) Explain these core values:
 - (a) Respect for work
 - (b) Innovation and creativity.
- (iv) Name the types of entrepreneurs according to Danhof.
- (v) What is the importance of an intrapreneur in an organisation?
- (vi) What is "Innovation time off" in an intrapreneurship program?

Answer:

- (i) They are formed in the process of socialisation and may relate to anything in the world.

For example: A person may have positive and negative attitudes towards religion, politics, politicians or countries.

- (ii) (a) Affects behaviour: People have a natural tendency to maintain consistency between attitude and behaviour. Attitudes can lead to intended behaviour if there is no external intervention.

(b) It is invisible: It constitutes a psychological phenomenon which cannot be directly observed. However, we may observe an attitude indirectly through observing its consequences. For example, if a person is highly productive, we may infer that he has a positive attitude towards his/her work.

- (iii) (a) Respect for work: Entrepreneur culture respects and values work. Entrepreneurs who are successful believe that to achieve one has to do hard-work. To them work is worship.

(b) Innovation and creativity: These are the most important values found among most of the entrepreneurs. Creativity is the ability to bring something new into existence or new ways of doing things and innovativeness is the ability to make it work in practice. For example, earlier, hair oil was available only in tins and introducing it in plastic small packs has become convenient for customers to carry and use.

Innovation refers to the process of doing new things. It brings into reality a new idea, a new process, a new product or innovativeness can be seen through actions such as: Sachet Market - small sachet of shampoo, oil, etc.

- (iv) C. Danhof has broadly classified entrepreneurs into four types. These are:

- (a) Innovative Entrepreneur
- (b) Imitative Entrepreneur
- (c) Fabian Entrepreneur
- (d) Drone Entrepreneur

(a) Smart organisations will seek out individuals who like to invent, innovate, and want to be the best idea within them.

(v) These individuals can work independently but even more important can work seamlessly as part of an integrated team structure and also effectively embrace and embody the culture of the entrepreneur's host organisation. Intrapreneurs are most successful when management empowers and supports them and in turn the intrapreneurs represent the best interests of their organisations, while earning the respect of corporate peers.

- (vi) "Innovation time off" is an intrapreneurship programme firstly introduced by Google. The main features of this programme was:

- All the employees are empowered and encouraged to spend 20% of their time on projects that interest them and their thinking will benefit Google and their customers.
- It has a formal process for their selection of entrepreneurial projects, for the formal evaluation process and the monitoring of each Google approved entrepreneurial project.
- All those employees who want to participate in the

programme must submit a project proposal within a specified timeline.

- After implementation of the entrepreneurship programme, it was observed several of Google's newest products and services such as Gmail, Google news, Orkut and Add Sense were all originated through this program and has given a good results.

Question 3. Answer the following in about 75 words:

(i) "The thoughts, feelings and tendencies to behave are acquired gradually." In the light of this statement describe the sources of attitudes.

(ii) "Attitude is not by birth, it is acquired". Explain.

(iii) "Entrepreneurs venture to take risks but some entrepreneurs are very shy and lazy by nature." Mention the name of such entrepreneurs and explain.

(iv) "Innovation and creativity both are interrelated." Explain.

(a) "We can appoint an employee but not an entrepreneur."

Describe difference between an employee and an entrepreneur in the light of this statement.

(vi) Differentiate between an Intrapreneur and Entrepreneur.

(vii) Explain the following Entrepreneurial competencies:

(a) Persistence

(b) Leadership

(c) Systematic planning

(viii) Why is systematic planning a must for an entrepreneur?

(ix) Define Business Ethics. Why is it important to an entrepreneur?

(x) Explain types of entrepreneurs on the basis of use of technology.

(xi) Explain types of entrepreneurs on the basis of motivation.

(xii) What are the entrepreneurial values? Show by diagram.

(Xiii) "Human beings require respect in the society." Explain the esteem needs in the Maslow—Hierarchy of Needs Theory.

(xiv) How competency in creativity and innovation helps an entrepreneur meet the challenges of a situation?

(xv) Do you think Intrapreneur is necessary for an organisation?

Support your answer with strong reasons.

Answer: (i) The central idea running through the process of attitude formation is that, the thoughts, feelings and tendencies to behave are acquired or learned gradually. The attitudes are acquired from the following sources:

1. Direct Personal Experience: The quality of an individual's direct experience with the attitude object (work area) determines his/her attitude towards it.

For example if a worker:

- finds his/her job challenging,
- always tries to understand supervisors and co-workers
- is nature wise very cooperative
- creates an healthy environment
- completes the task on time
- is satisfied and happy with the entire environment

then he/she will have a positive attitude towards his/her job because of the quality of his/her direct experience with the job.

2. Group Associations: Each and every individual working in an organisation are always influenced to one degree or another by other members in the group to which they belong. Their attitudes toward products ethics warfare and a multitude of other subjects are influenced strongly by groups that they value and with which they do or wish to associate. All those people involved in a group are, including family, working members, and peer groups, and cultural and sub-cultural groups, are important in affecting a person's attitudinal development.

3. Influential to Others:

- A consumer's attitude can be formed and changed through personal contact with influential persons such as respected friends relatives and experts.
- Opinion leaders are examples of people who are respected by their followers and who may strongly influence the attitudes and purchase behaviour of followers.
- To capitalize on this type of influence, advertisers often use actors and actresses who look similar to or act similar to their intended audiences.

People tend to like others who are similar to themselves because they believe that they share the same problems, form the same judgments and use the same criteria for evaluating products. Another application which advertisers use to influence audience attitudes is the so called slice of life commercial.

For example:

Sachin Tendulkar: Boost: Boost is the secret of my energy.

Aishwarya Rai Bachchan in Kalyan Jewellers.

These advertisements show typical people confronting typical problems and finding solutions in the use of the advertised brand, some examples include the advertisement of a specialised shampoo (to solve dandruff problems).

(ii) Yes, it is a true statement. The process of learning attitudes starts right from childhood and continues throughout the life of a person. It means attitudes are gradually learnt over a period of time. However, in the beginning, the family members have a greater impact on the attitude of a child.

(iii) Fabian Entrepreneurs: According to C. Danhof, Fabian entrepreneur are categorized in third group. Such entrepreneurs are very shy and lazy. They are very cautious. They do not venture or take risks. They are rigid and fundamental in their approach. Usually, they are second generation entrepreneurs in a family business enterprise. They follow the footsteps of their predecessors. They imitate only when they are sure that failure to do so would result in a loss of the relative position in the enterprise.

(iv) Yes, Innovation and Creativity both are interrelated.

These are the most important values found among most of the entrepreneurs. They are guided by these values when they come out with creative ideas, new products, services, processes, etc. to solve specific problems of the society.

Creativity is the ability to see new ways of doing things and innovativeness is the ability to make it work in practice.

For example, earlier hair oil was available only in tins and introducing it in plastic small packs has become convenient for customers to carry and use. Innovativeness can be seen through actions such as:

- (a) Sachet Market - small sachet of shampoo, oil, etc
- (b) Experimenting with new ideas for example introduction of debit and credit cards in the banking sector.
- (c) Facing uncertainty in order to try out new ideas.
- (d) Not giving up or becoming upset when errors occur.
- (v) Generally, the difference between entrepreneur and employee is that an entrepreneur is the owner of the enterprise and an employee is in the service of the enterprise and both work in the interest of the enterprise. The following are the basic differences:

Basis	Entrepreneur	Employee
1. Meaning	An entrepreneur is an innovator, generator of job and wealth, risk taker, an excellence seeker, goal oriented, appreciates quality of persistence, problem solver, has creativity, sets up an organization to build something of value.	An employee generally includes any individual who performs services to an enterprise or another person (employer) on a regular basis in exchange for compensation may be in cash or in kind.
2. Motive	The motive of an entrepreneur is to start a venture by setting up of an enterprise. One undertakes the venture for his personal gratification.	The employee's job is to render one's service in the ongoing or new enterprise set up by someone else.

3. Status	An entrepreneur is the owner of the enterprise.	An employee is the servant in the enterprise owned by an entrepreneur.
4. Risk-bearing	An entrepreneur being the owner of the enterprise assumes all risks and uncertainty involved in running the enterprise considers and thinks about one's business 24 hours.	An employee being servant does not bear any risk, all that, can happen is one may lose one's job with or without some compensation. One thinks of one's enterprise that one is working on duty for certain hours only.
5. Rewards	The reward, an entrepreneur gets, for bearing risks involved in the enterprise is profit or at times handsome profit, which is uncertain.	Whereas an employee gets rewarded for one's services rendered in the enterprise as salary which is fixed and certain as per appointment letter issued. In addition, one gets a bonus as per prescribed rules and festival tokens, etc. in cash or kind, sometimes on performance.
6. Innovations	The entrepreneur himself/herself thinks over what and how to produce goods and services. One has to bear in mind about meeting the changing demands of the customers. Hence, he acts as an innovator as well as a change agent.	An employee executes the set plans as per given schedule. Thus one's job gets to meet up the targets decided by one's employees.
7. Qualification	An entrepreneur needs to possess qualities and qualifications like high achievement motive, originality in thinking, farsightedness, risk-bearing abilities.	An employee needs to possess qualification as per the status in the enterprise which are pre-set and detailed in black and white, like an accountant can be C.A/M. Com, etc. and a manager may be an M.B.A. in Marketing/Finance or Human Resource, etc. as per the nature of the enterprise.

(vi) Differences between Entrepreneur and Intrapreneur are as follows:

Basis	Entrepreneur	Intrapreneur
1. Meaning	An entrepreneur is an innovator, generator of job and wealth, risk taker, an excellence seeker, goal oriented, appreciates quality of persistence, problem solver, has creativity, sets up an organization to build something of value.	An intrapreneur works within a large firm, who uses entrepreneurial skills without incurring the risks associated with those activities.
2. Motive	The motive of an entrepreneur is to start a venture by setting up of an enterprise for his personal gratification.	The intrapreneur's main motive is to turn that special idea or project into a profitable venture for the company.
3. Status	An entrepreneur is the owner of the enterprise.	Whereas an employee is the servant in the enterprise owned by entrepreneur.
4. Dependency	An entrepreneur is independent.	Intrapreneur are always dependent on entrepreneur acceptance.
5. Raising of funds	An entrepreneur raises funds required for the enterprise.	Intrapreneur not raises any funds.
6. Risk	An entrepreneur being the owner of the enterprise assumes all risks and uncertainty involved in running the enterprise considers and thinks for about one's business for 24 hours.	An intrapreneur does not fully bear the risk, involved in the enterprise.
7. Operation	An entrepreneur operates from outside.	An intrapreneur operates from within the organization.

(vii) 1. Persistence:

(a) It is the ability of an entrepreneur to continue with the course of action despite obstacles and difficulties.

(b) He must persist with behavioural skills even when the failure is visible as a quality successful entrepreneurs are determined and persistent in their march towards excellence.

(c) He always create a need for goods and services in the market forenterprise. For example: (i) In India when mixers was introduced, numbers of users/customers were less but today, we find it to be an essential appliance of kitchen accessories.

(d) When Mahima Mehra brought out her product - Haathi Chaap, she had experimented on various other material before using elephant dung to manufacture handmade paper.

2. Leadership: An entrepreneur should also be an effective leader who should be able to guide and motivate his/her entire team. Whenever a company faces problem it is the will power and effective business acumen and communication skills which oversees the success of the corporation.

3. Systematic planning: An entrepreneur with a systematic and well defined plan has always more chances of success. Before commencing actual operation, he is required to develop. Every entrepreneur has limited resources in terms of time, finance and

manpower. They invest their life's saving and total energy in creating entrepreneurial ventures and cannot afford to lose or waste these. Before putting the whole enterprise into operation, he is required to develop a detailed blueprint of activities including all necessary information regarding the objectives of the business, legal, financial and administrative aspect, likely obstacles. It provides a blueprint for building new enterprise.

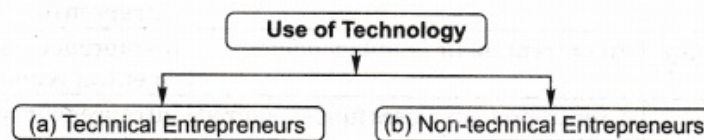
(viii) Planning provides a blueprint for building new enterprise.

An entrepreneur is expected to have systematic planning which will help him to prepare an action plan for performing all the activities in every area of operation in order to achieve the pre-determined goals.

- It will also help the entrepreneur to carefully monitor his/her business' actual performance against desired performance and turn to other alternatives whenever the need arises; so as to achieve his/her set goals.
- It helps to evaluating the positive and negative aspect associated with each alternative.

(ix) "Business Ethics" can be defined as the critical, structured examination of how people and institutions should behave in the world of commerce. It is the study of standards of business behaviour that promote human welfare and the good.

(x)

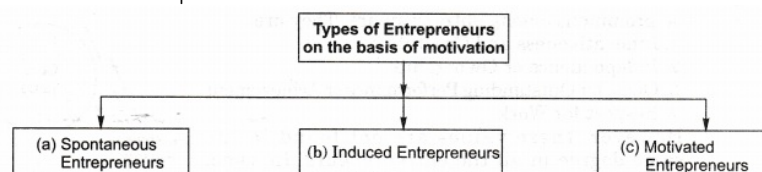


The entrepreneurs may be classified into the following categories on the basis of application of new technology in various sectors of the economy:

(a) Technical Entrepreneurs are technical by nature in the sense of having the capability of developing new and improved quality of goods and services out of their own knowledge, skill and specialisation are called a technical entrepreneur. They are essentially compared to craftsmen who concentrate more on production than marketing.

(b) Non-technical Entrepreneurs are those who are mainly concerned with developing alternative marketing and distribution strategies to promote their business. They are not concerned with the technical aspects of the product and services they are dealing with.

(xi) Based on their motivating factors, entrepreneurs can be classified into three types such as spontaneous, induced and motivated entrepreneurs.



(a) Spontaneous Entrepreneurs

- They are also known as entrepreneurs
- They are motivated by their desire for self-fulfillment and to achieve or prove their excellence in job performance.
- They undertake entrepreneurial activities for their personal satisfaction in work, ego, or status.
- Their strength lies in their creative abilities.
- They are the natural entrepreneurs in any society. And do not need any external motivation.

(b) Induced Entrepreneurs

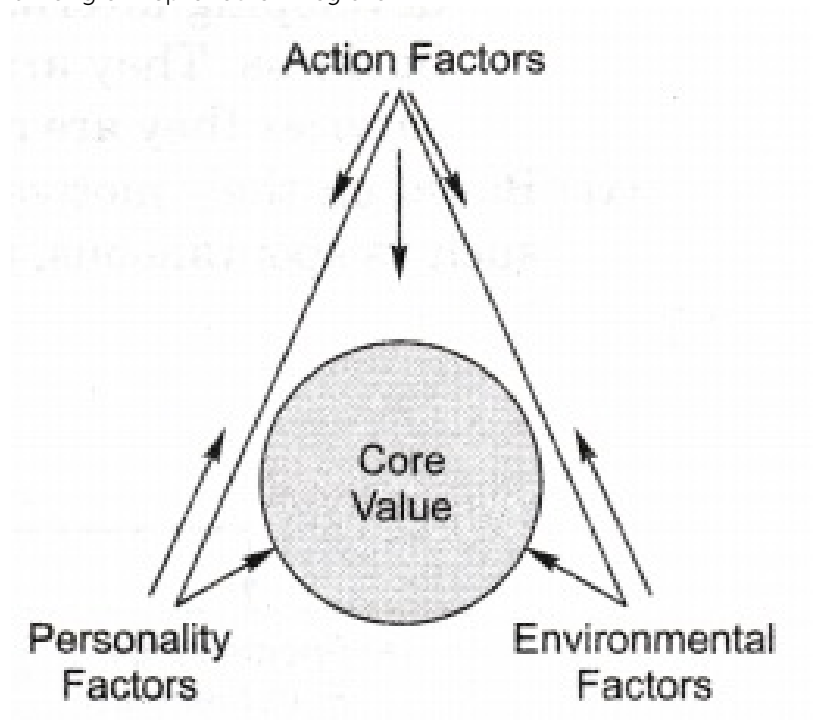
- Induced entrepreneurs enter into entrepreneurship because of various governmental supports.
- Interested entrepreneurs get support from the government to set up of their new enterprises in terms of financial assistance (in the form of Grants and Aids), incentives, concessions and other facilities.
- Sometimes prospective entrepreneurs are induced or even forced by their special circumstance, such as loss of job or inability to find a suitable job according to their talent and merit to adapt to entrepreneurship.

(c) Motivated Entrepreneurs

- Motivated Entrepreneurs are motivated by their desire to make use of their technical and professional expertise and skill in performing the job or project they have taken up.
- They have enough confidence in their abilities.
- They are highly ambitious and are normally not satisfied by the slow progress in their jobs.
- They enter entrepreneurship because of the possibility of making and marketing of some new products or service for the use of the prospective consumers. If the product or service is developed to a saleable stage and the customers accept the same, the entrepreneur is then further motivated by reward in terms of profit.

(xii) In a civilized society some qualities like honesty, truthfulness, cooperation, integrity etc. as important for happy and healthy living. They are a set of beliefs or ideas that provide standards which guide behaviour. Such guiding principles established in a cultured society are called values. They provide us the direction in our life and helps us achieve our potential. Entrepreneurs share some of these qualities that guide and direct them and hence they have come to be called entrepreneurial values. They are a combination of a number of factors that shape an individual's life in an environment. It implies that when an individual interacts with his environment, certain characteristics emerge to guide the individual in his pursuit.

This diagram shows that a person develops certain core values as a result of an active interaction between the environmental factors, the personality factors and action factors. A study of such core values reveals that a set of four values are found to be prominent among entrepreneurs. They are:



1. Innovativeness and Creativity
2. Independence or Ownership
3. Quest for Outstanding Performance or Achievement
4. Respect for Work.

However, these values are not found in the same degree in all the entrepreneurs. In some, innovativeness and creativity may be stronger than

other values while in some quest for achievement may be the strongest driving force. But, to become successful entrepreneurs, a knowledge of all these values is essential.

(xiii) Esteem needs include the desire for self-respect, self-esteem, and the esteem of others. When focused externally, these needs also include the desire for reputation, prestige, status, fame, glory, dominance, recognition, attention, importance and appreciation. An individual eventually needs to feel that he/she has a social status. This goes beyond just having social relationships; the individual must feel that in work or at home he/she is making a contribution. This also includes recognition of achievement from others. And the need to feel good about themselves.

(xiv) Creativity is the merging of ideas which have not been merged before. New ideas are formed by developing current ones within our minds. It is ranked by the ability to create, bring into existence, to invent, a new form to produce through imaginative skills, something new, it is an ability to generate new idea as by combining changing or re-applying existing ideas and innovation means doing something new or something different. The entrepreneurs are constantly on look out to do something and unique to meet the requirements of the customers.

Competency in creativity and innovation are sometimes basic traits of certain individuals. He/she might not have any new ideas or may not inventors of new products and new methods of production but they have the ability to vision the future and have the possibility of making use of the inventions of their enterprise. He/she may use the creative ideas and innovative products and services to meet the challenges of a situation and to satisfy the changing taste and preference of customers adopt and apply new technique to meet the customers changing demand for product and take advantage of the utility of an idea or a product to create wealth.

For Example,

- Changes in the packaging of potato chips.
- Tea bags.
- Cup cakes.
- Pidilite Industries introduced ? 5 pack of feviquick.
- Introducing it in plastic small packs has become convenient for customers to carry and use.
- Use and throw ballpoint pen for students worth ?
- Cadbury introduced 'Celebration's ? 100 single attractive pack with all types of Cadbury chocolates.

(xv) Yes, I do agree that Intrapreneur is necessary for an organisation. The reasons are:

- It is the best way to retain the talented, creative and innovative staff, who transform a dream and idea into viable project.
- It describes easiest way of developing new product and services within the company through him.
- Intrapreneur's new way of thinking making organisations.

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