



Question 1. “Invention is the mother of necessity.” How does an entrepreneur prove this statement? Give some example.

Answer: Following are the examples:

- Bigger boats were used for carrying more fishes.
- Installation of freezers on the big boats for storing the fishes.
- Installation of fish tanks for providing fresh fish in the market.
- To improve taste of the fresh fish in the tank shark were kept along with the fishes.

Question 2. “Creativity is a continuous activity for the entrepreneur”. Explain.

Answer: As creativity is a continuous activity for the entrepreneurs they keep on disturbing markets and keeps on challenging large established businesses. Entrepreneurs always see new ways of doing things with little concern. Creativity in the entrepreneur is a mixture of ability to innovate, to take the idea and make it work in practice. Once the project is accomplished, the entrepreneur look for new venture.

Question 3. What are the different forms of social media used frequently by the people and how these tools are helpful?

Answer: Here are the different forms of social media platforms today; Google, Facebook, Twitter, smart phones, tablets and e-readers, —MySpace, Orkut, Hi5, LinkedIn 3.— technologies that originated in the consumer space, are now reshaping the way companies communicate and collaborate with employees, partners and customers.

There is an increasing trend towards using social media tools that allow marketers to search, track, and analyze conversation on the web about their brand or about topics of interest.

This can be useful in campaign tracking, allowing the user to measure return on investment competitor-auditing, and general public engagement. These changes will definitely lead to the creation of new forms of business enterprises which will surely change the way business will be conducted in the future scenario.

Question 4. State any four ways adopted by incubators to help resident companies securing capital. Flow?

Answer: Incubators help resident companies secure capital in a number of ways:

- Connecting companies with angel investors (high-net-worth individual investors).
- Working with companies to perfect venture capital presentations and connecting them to venture capitalists.
- Assisting companies in applying for loans.
- Assisting companies in accessing government agency (example NZTE, Technology NZ) business assistance grant programmes.

Question 5. Name five government schemes implemented by the Government for entrepreneurs.

Answer: Various government schemes have been implemented for entrepreneurs by the government.

1. Schemes implemented by the Ministry of MSME (Micro, Small and Medium Enterprises).
2. SIDBI (Small Industries Development Bank of India) Micro Finance Programme.
3. Memorandum of Understanding (MOUs) with foreign countries.
4. MSME National Award Scheme.
5. NSIC Schemes (National Small Industries Corporation).

Question 6. Write down the main objectives of various Government Schemes for entrepreneurs.

Answer: The main objectives/functions of the various Government schemes:

- To provide financial assistance (long-term, medium term and short-term) to all forms of organization like sole tradership, partnership firms and joint stock company.
- To provide financial assistance enterprises engaged in service sector.
- To provide administrative and technical assistance for the promotion and expansion of the enterprise.

Question 7. Briefly discuss the personal barriers to entrepreneurship.

Answer: The personal barriers to entrepreneurship can be classified into two types:

1. Motivational: Once the venture starts functioning, the obstacles faced in the initial stages can make the entrepreneurs to lose their commitment and consequently their level of motivation dips. The entrepreneurs who lack toughness and perseverance often quit.
2. Perceptual: Certain perception barriers can hamper the progress of the entrepreneur. Lack of a clear vision and misunderstanding can result in faulty perception. If the entrepreneur demands everything to be clear and well-defined in order to develop a perception, it will lead to disappointment. As entrepreneur's world is basically disorderly and ambiguous, the people who excessively depend on order will find it a barrier to entrepreneurship.

Question 8. Cite any three ways in which political environment can work against the interest of entrepreneurs?

Answer: The political environment can work against the interest of entrepreneurs in the following ways:

- A political environment that is characterised by instability and insecurity will discourage entrepreneurs.
- Political policies can retard the growth of entrepreneurial ventures in a country.
- Excessive interference in the form of controls, delays etc. from the government can discourage prospective entrepreneurs.

Question 9. How does environment play an important role for entrepreneurship?

Answer: In an entrepreneurial process, environment plays a vital role because all the opportunities exist in the environment and the entrepreneur is a part of it. A conducive environment throws up more entrepreneurs than an inhibiting environment.

Question 10. How can the economic environment create negative influence for an entrepreneur?

Answer: The economic environment can create barriers for an entrepreneur because of the following reasons:

- The capital for setting up the new venture is not accessible for the entrepreneur.

- Non-availability of labour at reasonable cost.
- If the labour market is unreliable and is fraught with indiscipline and selfishness, it will also become a barrier for entrepreneurship.
- Shortfall in the availability of raw materials is the desired quality and quantity.
- Inadequate infrastructure to transport the raw material to the factory.
- Non-availability of easy access to the market for the finished goods.

Question 11. How can the economic environment create positive influence for an entrepreneur?

Answer: The factors which are responsible for economic development such as land, labour, capital, material, market, etc. are equally responsible for the development of entrepreneurship. Thus, an environment, where all these factors are available to the entrepreneurs, will naturally support and promote entrepreneurship.

Question 12. How can the cultural factors create positive influence for an entrepreneur?

Answer: Every society has its own cultural values, beliefs and norms. If the culture of a society is conducive to creativity, risk-taking and adventurous spirit, in such a cultural milieu entrepreneurship will get encouragement.

For example: An entrepreneur will have to keep in mind the cultural reference of the region that he/she is going to cater to, this will enable him/her to get a quicker acceptance in that region.

Question 13. How can the cultural factors create positive influence for an entrepreneur?

Answer: Political: It provides the legal framework within which business is to function. The viability of business depends upon the ability with which it can meet the challenges arising out of the political environment. This environment is influenced by political organisations, stability, government's intervention in business, constitutional provisions etc.

For example: War tension between two countries can also stop the trade between these countries.

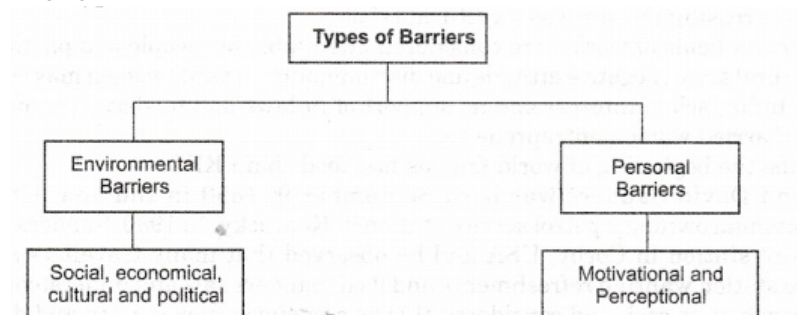
Question 14. Give one example each of environmental factors.

Answer:

- Social factor: Readymade garments, fast food, vending machines for tea and eatables are the result of social factors.
- Political factor: War tension between two countries can also stop the trade between the two countries.
- Economic factor: Unavailability of cash deters an entrepreneur from starting a new venture.
- Cultural factor: Selling of more vegetarian food in the region comprising of vegetarians in majority.

Question 15. Mention two types of barriers.

Answer:



Question 16. Give three examples of how some innovations became

successful ventures in the past.

Answer: Following are the examples:

1. Penicillin:

Aim: Sir Alexander Fleming, was trying to make “wonder drug” that could cure diseases. However, it wasn’t until Fleming threw away his experiments that he found what he was looking for.

Creation: Fleming found that a contaminated and discarded Petri dish, contained a mold that was dissolving all the bacteria around it. When he grew the mold by itself, he learned that it contained a powerful antibiotic, penicillin.

2. Potato Chips:

Aim: George Crum, a chef at the Carey Moon Lake House was trying to make a plate of fried potato.

Creation: One day, a customer repeatedly sent back the plate of potatoes for more frying and having thinner fried potatoes. In anger Crum sliced the potatoes insanely thin and fried them until they were hard as a rock. On serving it to the customer, the customer loved it and wanted more. This is how potato chips came into existence.

3. The Pacemaker:

Aim: John Hopps, an electrical engineer was trying to use radio frequency heating to restore body temperature.

Creation: During his experiment, he realized that if a heart stopped beating due to cooling, it could be made to beat again by artificial stimulation. This led to the creation of pacemaker.

Question 17. How can the social factors create positive influence for an entrepreneur?

Answer: Social factors such as caste structure, mobility of labour, customer needs, cultural heritage, respect for senior citizens, values, etc. might have a far reaching impact on business. In India, attitudes have changed with respect to food and clothing as a result of industrialisation, employment of women in factories and offices, and the increased level of education. This has resulted in the growth of food processing and garment manufacturing units thus the emergence and growth of a new class of entrepreneurs.

For example: Readymade shirts, instant food, vending machines for tea and eatables.

Question 18. Do you think there are cultural barriers (Negative influence) to entrepreneurship in our society? Discuss with examples.

Answer: Yes, I agree that there are cultural barriers to entrepreneurship in our society.

Every society has developed its own cultural values, if the culture of a society is conducive for creativity, risk-taking and adventurous spirit, in such a cultural milieu entrepreneurship will thrive. At the same time, if the cultural values are bound by conventionalism, status-quo, rituals and strong cultural taboos, they may curb entrepreneurial spirit.

For Example:

- In the past, some societies in India discouraged people from going abroad believing that crossing the sea was a cultural taboo.
- Certain fields of work were considered unsuitable for people of a particular culture.
- In rural areas, negative attitude and discrimination towards women may curb their spirit.
- In India lack of interest and no support of in-laws and husband can be a big barrier to married women entrepreneurs.

Question 9. Describe the beginning of world famous fast food chain

KFC.

Answer: Harland David Sanders was born September 9, 1890 in Indiana, USA. He was a businessman owning a petrol service station in Kentucky. In 1930, Sanders was operating a service station in Corby, USA and he observed that many travellers stopped at his service station wanting refreshments and food. Sanders saw and understood the problem. He knew how to cook and considered this as a business opportunity and decided to offer chicken recipe to these customers. The Colonel enjoyed making his customers happy - he was passionate about entertaining them with excellent food and superb service. This spicy chicken recipe became super hit among travellers.

This prompted him to start a restaurant which was beginning of the world famous fast food chain "KFC—Kentucky Fried Chicken".

Question 20. Give the list of Institutions involved in Entrepreneurship Development Program (EDP).

Answer: Institutions involved in Entrepreneurship Development Program (EDP):

1. National Institute for Entrepreneurship and Small Business Development (NIESBUD).
2. Indian Institute for Entrepreneurship.
3. National Institute for Micro, Small and Medium Enterprises (NIMSME).
4. National Small Industries Corporation (NSIC).
5. Rural Entrepreneurship Development Institute (REDI).
6. Training and Development Centre (TDC).
7. Centre for Entrepreneurship Development (CEI).
8. Small Industries Service Institutions (SISI).
9. Small Industries Development Organisation (SIDO).
10. Entrepreneurship Development Institution of India (EDII).
11. National Alliances of Young Entrepreneur (NAYE).

Question 21. List the various government schemes that have been implemented for entrepreneurs.

Answer: Following are the various schemes/programs started by the government for the:

1. Schemes implemented by the Ministry of MSME (Micro, Small and Medium Enterprises).
2. SIDBI (Small Industries Development Bank of India) Micro Finance Programme.
3. Memorandum of Understanding (MoUs) with foreign countries.
4. MSME National Award Scheme.
5. NSIC Schemes (National Small Industries Corporation).
6. SIDBI Schemes.
7. Tax Holiday Scheme.
8. Composite Loan Scheme.
9. Industrial Estate Scheme.
10. Factoring Services.
11. Small Industry Cluster Development Programme.
12. National Equity Fund Scheme.

Question 22. Describe the role of technology and social media in creating new forms of business.

Answer: The role can be described under the following headings:

1. Digital Revolution: The digital revolution has changed the working system and the working procedure. World is now more interconnected and the technology is now going for 100% interconnectivity worldwide.
2. Consumer Choices: Consumers' taste and preference have undergone tremendous changes. Consumers now demand more powerful devices and applications. Business world on the

other hand prefer more cost-effective technology to face the complex challenges of the business world.

3. Consequences: Satisfying the demands of consumers and the firms will lead to an explosive growth in data and analytics, intense competition and realignment of many industries.
4. Opportunities: New and emerging markets are going to create plenty of opportunities related to smart technology, and they will not be limited to for-profit enterprises.

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