



III. Short Answer Type Questions [4 Marks]

Question 1. What is the common value between Narayan Murthy and Steve Jobs? Explain.

Answer: Dynamic entrepreneurs are guided by the value of outstanding performance. It is the quest for outstanding performance on the part of Narayana Murthy that saw the emergence and speedy growth of Infosys.

Steve Jobs, case study always believed in outstanding performance, for example, when Apple phone was launched, he took great care to make the package eco-friendly and light weight with 3D (Three dimensional) images on it. Such was his dedication for extraordinary performance.

Challenges seem to stimulate and motivate entrepreneurs. As they have strong motivation to succeed, they value performance of a high order.

Thus the entrepreneur, due to his quest for excellence, is an “over comer” who can resolve problems under pressure. They are persistent and hardworking when things go wrong.

Question 2. Explain various features of attitude.

Answer: Features of attitude:

1. Attitude 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.
2. 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.
3. Attitudes are acquired: Attitudes are gradually learnt over a period of time. The process of learning attitudes starts right from childhood and continues throughout the life of a person. However, in the beginning, the family members have a greater impact on the attitude of a child.
4. Attitudes are pervasive: They are formed in the process of socialisation and may relate to anything in the world. For instance a person may have positive and negative attitudes towards religion, politics, politicians or countries.

Question 3. Give an example of unethical action performed by an employee of Satyam Computer Services.

Answer: Ramalinga Raju is a former Founder-Chairman of Satyam Computer Services which he founded in 1987 and chaired till January 7, 2009. Stepping down admitting to faking financial figures of the company to the tune of Rs 7,136 crore (approximately \$1.5Billion USD), including Rs 5,040 crore (approximately \$1 Billion USD) of non-existent cash and bank balances. Raju resigned from the Satyam board after admitting to falsifying revenues, margins and over ? 50 billion of cash balances as the company.

Question 4. “As entrepreneurs climb the ladder of success, they

should not forget that for success to be long lasting they will have to follow some ethical standards in their business practices.”. Give some examples related to it.

Or

Give five examples of ethical standards to be followed by an entrepreneur in their business practices for long lasting success.

Answer: Some examples related to the ethical standards followed by an entrepreneur are as follows:

1. Providing quality and correct quantity of goods to consumers.
2. Keeping in mind the environmental issues during production.
3. Paying the minimum and correct wages to the workers.
4. Not to use child labour in their production.
5. Judicious use of natural resources.

Question 5. How has ethics become an essential element in entrepreneurship?

Answer:

- Ethics corresponds to basic needs.
- Helps in better decision.
- Ethics and profit go together.
- Law cannot protect society, ethics can.
- Value create credibility with the public and employees.

Question 6. Given below are examples of certain enterprises depending upon nature, size and type of business. Categorise them according to their type.

(a) Motor Vehicle Repair Garage

(b) Poultry farming

(c) Plastic products, jerycans, tarpaulins.

Answer: Motor Vehicle Repair Garage: Industrial Entrepreneur:
Industrial entrepreneurs essentially manufacture products and offer services.

(a) Poultry Farming:

Agricultural Entrepreneur:

Agricultural entrepreneurs are those who undertake agricultural as well as allied activities in the field of agriculture.

(b) Plastic product, jerycans, tarpaulins: Industrial Entrepreneur

(c) Industrial entrepreneurs essentially manufacture products and offer services.

Question 7. What are the main assumptions of Maslow’s theory of needs?

Answer:

- Behaviour of all people is based on their needs. Satisfaction at each level will influence their behaviour.
- Needs are always arranged in a hierarchical order, i.e. from lowest to highest.
- A satisfied need can no longer motivate a person only next higher level need can motivate.
- Next higher level movement of the hierarchy can only be possible, if the lower level need is satisfied.

Question 8. Write down the features of innovative entrepreneurs.

Answer: Following are the main features of innovative entrepreneurs:

- They are one who quickly introduces new products, new methods of productions and new technology.
- They explore new markets and new sources of supply of raw-materials.
- They are generally aggressive in experimentation and put attractive possibilities into practice.
- They convert technical resources into economic performance and give new value to the product.

- They always apply new improvised techniques to provide better goods and services.
- They are generally found in developed countries.
- Example: Walt Disney who started huge theme parks such as the Disney Land.

Question 9. Write down the features of Fabian entrepreneurs.

Answer: Following are the main features of Fabian entrepreneurs:

- They are shy, inactive and basically lazy and do not show any enthusiasm.
- They are not interested and willing to accept risk and likely to perform only such activities where success is guaranteed.
- They are also influenced by customs, traditions, religions and past experiences.
- Most of the time they adopt old age or traditional method of production.
- They are very cautious, timid and skeptical while practicing any change.
- 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 are generally found in underdeveloped countries.

Question 10. Write down the features of drone entrepreneurs.

Answer: Following are the main features of drone entrepreneurs:

- They are legguards as they continue to operate in their traditional way and resist change.
- These entrepreneurs are not interested in revising and to make changes in their existing production methods even if they suffer losses.
- They take least interest in finding out new resources, new methods or more time saving method and always refuse to copy or use opportunities that come their way.
- Most of the time they struggle to survive not to grow.
- They try to perform their functions in a routine manner.
- When their product loses marketability and their operations become uneconomical, they are pushed out of market.
- They do not survive for long period.
- They are conventional in their approach.

Question 11. Who are called first generation entrepreneurs?

Answer: First Generation Entrepreneurs are those, who start the business on the basis of his/ her innovative skills. With innovation, new and improved ideas they develop and use an innovative business plan. They always use the modern concept of marketing and create large number of customers by fulfilling and satisfying their demands. They can also compete fiercely by standing against those businesses who follow the traditional business norms. The first generation entrepreneur is driven by his own belief and he is the master of his own fate. They do not have any family entrepreneurial background prior to start his/ her own business venture. Entrepreneur is very innovative, decision-maker, risk-taker, leadership quality, etc.

Question 12. What is corporate intrapreneurship? Give two examples.

Answer: Corporate intrapreneurship/intrapreneurship relates to the innovations of some companies or corporate ventures leading to establishment of new ventures, new subsidiaries or new divisions. It often happens that managers of some leading companies exhibit a sense of enterprise combining their resources, systems, in unusual ways to get new products, new ventures or to provide new services.

Sometimes this is also called intrapreneurship.
Examples of intrapreneurship:

- A classic case of intrapreneurs is that of the founders of Adobe, John Warnock and Charles Geschke. They both were employees of Xerox. As employees of Xerox, they were frustrated because their new product ideas were not encouraged. They quit Xerox in the early 1980s to begin their own business. Currently, Adobe has an annual turnover of over \$3 billion.
- Dr. Pavan Goenka, designed and gave a pattern of Scorpio model for M&M (Mahindra and Mahindra). He utilized his vast experience of working with General Motors (prior company) to redefine the model in a new car design and sure shot development of the company.

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