



MORE QUESTIONS SOLVED

I. Very Short Answer Type Questions [1 Mark]

Question 1. Name the word 'mentor' comes from.

Answer: The word mentor comes from the character "Mentor" in Homer's epic tale, The Odyssey.

Question 2. What do you understand by mentorship?

Answer: Mentorship is a developmental partnership through which one person shares knowledge, skills, information and perspective to foster the personal and professional growth of someone else.

Question 3. Why mentor is also called as trusted guide?

Answer: Mentor is also called as trusted guide because he is a wise advisor, creates an informal environment, in which the other person feels encouraged to discuss their needs and circumstances openly and with confidence.

Question 4. What do you understand by captive unit arrangements?

Answer: Captive Service is a portion of Business Process Outsourcing where an organization will use a wholly owned subsidiary instead of a Third Party Vendor. Parent company will use the resources made by the subsidiary company, with the only benefit of reducing the cost of production, cost of saving of using outside resources and easily maintaining and complete control over the process.

Question 5. What do you mean business etymology of "business"?

Answer: The etymology of "business" relates to the state of being busy either as an individual or society as a whole doing commercially viable and profitable work.

Question 6. How L.H. Haney has defined the term 'Business'?

Answer: "Business may be defined as a human activity directed towards producing or acquiring wealth through buying and selling of goods". L.H. Haney

Question 7. Define strategy.

Answer: "Strategy is the direction and scope of an organisation over the long-term; which achieves advantage for the organisation through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfil stakeholder expectations". —Johnson and Scholes

Question 8. How will an entrepreneur can classify business activities?

Answer: Business activities can be also classified on the following grounds/basis:

(i) activity (ii) size (iii) ownership.

Question 9. Neerja wants to start a small size business in her colony.

Give some examples of tiny units she can approach for.

Answer: Stationery shop, schools, parlours, photostate and STD booths in your locality.

Question 10. Who is called as a brain box of the enterprise?

Answer: Managerial staff is called as a brain box of the enterprise.

Question 11. Why some entrepreneurs outsource professional experts?

Answer: Professional experts can be outsourced by the entrepreneur because the small enterprises cannot afford them on their regular payrolls.

Question 12. Give examples of professional experts who render their services to run the business enterprises.

Answer: Chartered accountants, auditors, bankers, lawyers, are important professional experts who render their services to run the business enterprises.

Question 13. What features are to be considered for adopting the technology by an enterprise?

Answer: The technology should be latest, valid, credible, and must have proper and have sound technical values.

Question 14. What do you mean by the term licentiates?

Answer: Licentiates refers to any individuals holding professional licenses, or it indicates that any person who holds a certificate of competence to practice a profession. They may run to partnership, firms, or corporations as well as to individuals.

Question 15. If an entrepreneur cannot personally supply the necessary amount of money he can go for another option, i.e. (OPM). What does this OPM stand for?

Answer: OPM stands for 'OTHER PEOPLE'S MONEY'.

Question 16. How an entrepreneur workout financial resourcing for a business?

Answer: (1) How much finance is required?
(2) The terms for which finance is required.
(3) What are the sources of generating finance?

Question 17. What constitutes borrowed capital?

Answer: The capital, which is borrowed by the entrepreneur from banks, financial organizations, or from any other source constitutes borrowed capital.

Question 18. What do you understand by intangible resources?

Answer: These resources are neither be touched or can be seen but that have value but helps immensely in providing a strong foothold to enterprise.

The intangible possession is a resource which enables a business to continue to earn a profit that is in excess of the normal basic rate of profit earned by other business of similar type.

Question 19. Enumerate the categories of intangible resources.

Answer: This category generally comprises:

- (i) Goodwill
- (ii) Reputation
- (iii) Brands
- (iv) Intellectual Property.

Question 20. What do you mean by goodwill?

Answer: Goodwill = acquisition price - net assets.

Question 21. What do you mean by reputation?

Answer: It is business tactics which could help gather the necessary support from employees and suppliers to get good name in the market.

Question 22. What do you mean by Intellectual Property?

Answer: The steps in the process of financial planning are as follows:

Question 23. Define financial planning.

Answer: Financial planning is deciding in advance how much to spend, on what to spend on the basis of availability of funds.

Question 24. How strong brands help an entrepreneur as a key factor?

Answer: Strong brands are often the key factors to know in whether a growth strategy is a success or failure and it will help an entrepreneur to command and sustain with higher margin.

Question 25. Define financial planning.

Answer: Financial planning is deciding in advance how much to spend, on what to spend on the basis of availability of funds.

Question 26. What do you understand by manning table?

Answer: A manning table is a listing of the positions or number of workers to be used in the operation of a particular machine or process.

Question 27. What is the basis of obtaining unsecured loans?

Answer: Unsecured loans are mostly given on the credit worthiness and capacity to pay of an entrepreneur.

Question 28. Why is finance called as a master key?

Answer: Finance is also known as the master key because it provides access to all the other sources for being employed in manufacturing, trading and services activities.

Question 29. What do you mean by the manning table?

Answer: It refers to a listing of the position of workers number of employees to be used from top level to lower level in the manufacturing process or of a particular machine or for a particular job.

Question 30. Define the term 'Job'.

Answer: 'Job' is a task or piece of work especially one that is paid.

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