



II. Short Answer Type Questions [2/3 Marks]

Question 1. Mention the features of problem solvers.

Answer: Problem solvers:

- take risks,
- often create value by solving a problem faced by customer or market.
- able to create a profitable enterprise.
- the more or larger problems are solved by them, the more profit they generate.

Question 2. Describe the beginning of world famous fast food chain KFC.

Or

How did KFC begin its operations?

Answer: In 1930, Sanders was operating a service station in Corby, USA and he observed that travellers who stopped for gas were normally hungry and they wanted to eat something. Sanders saw and understood the problem. He knew how to cook, and so he cooked chicken recipe for the travellers. 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 3. Give examples of problem solution.

Answer: Following are the examples of problem solution:

- 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 4. Describe one example explaining solving problems to meet the needs and wants of people.

Or

"Most entrepreneurial ventures have survived when they solve problems of people, understanding their needs and accordingly changing the product to their needs." Give an example in the support of this statement.

Answer: Dr. John Harvey Kellogg was superintendent of a famous hospital and health spa in Battle Creek, Michigan. His hospital stressed healthful living and kept its patients on a diet that eliminated caffeine, meat, alcohol and tobacco.

One day, after cooking some wheat, the men were called away.

When men returned, the wheat had become stale. They decided to force the tempered grain through the rollers anyway.

But surprisingly, each wheat berry was flattened and came out as a thin flake. On baking the flakes and were realized that they have made a new invention i.e. a delicious cereal. Keith Kellogg, brother of Dr. Kellogg eventually opened his own cereal business which became the famous brand Kellogg's Corn Flakes.

Question 5. Write in brief about creativity is a continuous activity for the entrepreneur.

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 6. How were Microwave Ovens created? Describe.

Answer: Percy Spencer, an engineer was conducting a radar-related research project with a new vacuum tube. During his research he realized that the candy bar in his pocket began to melt during his experiments. On putting pop corn into the machine, the pop-corns are started to pop. This led to the creation of commonly used household item Microwave Oven.

Question 7. What is the difference between Entrepreneurship and Social Entrepreneurship?

Answer: Following is the difference between Entrepreneurship and Social Entrepreneurship:

- The entrepreneur's final objective is wealth creation but for the social entrepreneur, wealth creation is simply a means to an end.
- The entrepreneur participates in entrepreneurial venture with the aim of earning profit. On the other hand, the social entrepreneur participates in profit seeking business ventures if only to use the profits generated to create valuable social programs for the whole community.
- Entrepreneur has individual motive of self-development where as social entrepreneur has the motive of societal development.

Question 8. What are the similarities between Entrepreneurship and Social Entrepreneurship?

Answer: Following are the similarities between Entrepreneurship and Social Entrepreneurship:

1. Creation: Both, entrepreneur and the social entrepreneur believe in creation of something new.
2. Profit: Both aim for earning profit from the venture.
3. Development: Both work for development of the society though with different motives.

Question 9. Why is there a growing need for Social Entrepreneurs?

Answer: There is a growing need for Social Entrepreneurs because of following reasons:

1. Social problems: In the current economic crisis, financial pressures are becoming a reason for the increase of intensity of social problems such as poverty and unemployment.
2. Financial repercussions: According to J. Gregory Dees, social entrepreneurship is essential to reduce the financial consequences among vulnerable.
3. Creativity and Innovation: With pay-cuts and job losses a common phenomenon all over the world, the need of the present is new ideas, innovations, creative solutions and fresh perspectives. These new ideas, etc. have potential to deal with the changing market demands, emerging economies and a new world, economic order.

Question 10. Social entrepreneurs keep on asking themselves,—Am I creating value for the people I am serving? Do I understand their needs? Why did they do so?

Answer: Social entrepreneurs do so:

- to know how they are actually making an impact.

- to reply to investors who want to know whether their contributions are indeed stimulating social improvements as was promised.

Question 11. What are the views of J. Gregory Dees on Social entrepreneurs as social catalysts?

Answer: According to J. Gregory Dees, though (Social entrepreneurs) they may act locally, their actions have the potential to stimulate global improvements in their chosen arenas, whether that is education, health care, economic development, the environment, the arts, or any other social field.

Question 12. Mention the functions performed by SEWA.

Answer: Following functions are performed by SEWA:

- Initially, SEWA provided the required capital to the co-operatives.
- The members of the co-operatives share their skills and expertise, develop new tools, designs and techniques.
- Members are engaged in joint marketing efforts.
- SEWA is helping women to get regular employment, easy access to credit, childcare, healthcare facilities.

Question 13. Describe the various types of Risk Taking.

Answer: Risk are of following types:

1. Insurable Risks: These are related to life and property against fire, theft, accidents etc.
2. Non-insurable: These are the risks whose probability cannot be determined and which cannot be insured against. For example: Fluctuations in price and demand. These are further divided into two types:
 - (a) Internal Risks: Those risks which arise from the events taking place within the business enterprise.
 - (b) Business risks: These are of a diverse nature and arise due to innumerable factors.
 These risks can be insurable or non-insurable.
3. Dynamic risks: Risks which are caused by changes in the economy are known as 'dynamic risks'. These are generally less predictable because they do not appear frequently.

Question 14. Describe the types of risks on the basis of place of origin.

Answer: On the basis of place of origin the risks are of two types:

1. Internal Risks: These risks arise from the events taking place within the firm during the ordinary course of a business. These can be forecasted. Their probability of occurrence can be determined. These are controllable.
2. Business Risks: These risks are of varied nature and may arise due to innumerable factors. These can either be insurable or non-insurable. The probability of an insurable risk can be determined. These risks can be forecasted.

Question 15. Give one example describing the role of technology in making the complex process easier.

Answer: In Kenya, mobile phones are used to collect data and report on disease-specific issues from more than 175 health centres serving over 1 million people. This has reduced the cost of the country's health information system by nearly 25%. The data is being obtained and collected very fast i.e. from four weeks to one week.

Question 16. Describe the role of Information Collection in the present business scenario?

Or

Explain Information Collection as new business forms.

Answer: Need of customer detail: In order to attract a customer, the entrepreneurs have to know the customer in detail so that they can know about those customers who are loyal to their product and the company.

Understanding taste and preference of customers: Information collected about the customers related to age, regularity of customer to the shop, preference of purchase etc. enable the firm to understand the taste and preference of the customer so that customer services can be improved in a better way.

Competition: Firms are now competing on analytics to differentiate themselves. The growing number of methods of data collection, growing number of data collecting firms, ways of analysis are generating immense quantities of information.

Question 7. What are the findings and suggestions of the IDC?

Answer: IDC, a market research firm, suggests that:

1. the amount of digital information created each year will increase to 35 trillion gigabytes by 2020.
2. this will require 44 times more data storage than in 2009,
3. telemetric applications, similar to GPS (global positioning systems), will allow organizations to send, receive and store information via telecommunications devices while controlling remote objects,
4. telemetric applications are now being used in medical informatics, healthcare and other fields.

Question 18. Describe the importance of business intelligence.

Answer: The importance of business intelligence is as follows:

1. Strategy: Business intelligence is used to make better strategic decisions.
2. Data: Business intelligence, enables organizations to gather quantifiable data on each area of the organization.
3. Analysis: Business intelligence, enables organizations to analyse data in a way that yields information they can act on.
4. Efficiency: It helps firms to enhance decision-making, improve performance and mitigate risk.

Question 19. Smart mobility is changing the way people interact.

Support the statement.

Answer:

- In the last quarter of 2010, sales of smart phones overtook the sale of Personal Computers for the first time.
- By 2014, more smart devices could be used to access the internet than traditional computers.
More mobile world is creating new players and new opportunities for a variety of industries.
- Smart mobility will enable firms to profit more quickly from new technology.

Question 20. Explain the meaning of cloud computing.

Answer: The origin of the term cloud computing appears to be derived from the practice of using drawings of stylized clouds to denote networks in diagrams of computing and communications systems. The word cloud is used as a metaphor for the internet, based on the standardized use of a cloud-like shape to denote a network.

Cloud computing helps the firms to upload all its data on to a cloud and then it can be used it remotely wherever it is required.

Question 21. Describe the power of social media for the entrepreneurial ventures.

Answer: The power of social media for the entrepreneurial ventures can be understood as under:

- Needs and wants: Through the new possibilities for social listening, businesses are able to better understand the needs and wants of the customers.
- Changes: More change are expected as the generation that has grown up with new technologies and instant information gratification joins the workforce after completing their desired educational attainment.
- New form of businesses: Creation of new forms of business enterprises is expected in the near future which is going to change the way business ethics and the procedures.

Question 22. What is business incubation? Explain.

Answer: Business incubation are programs designed to support the successful development of entrepreneurial ventures through an array of business support resources and services, developed and orchestrated by incubator management and offered both in the incubator and through its network of contacts. Business support resources and services comprises of providing physical space, capital, coaching, networking connections, etc.

Question 23. How do incubators help start-ups get funding?

Or

Enumerate three ways as to how incubators help start-ups get funding.

Answer: Incubators help the companies/firms-to secure capital in following ways:

- Helps in connecting companies with angel investors (high-net-worth individual investors).
- Working with companies to perfect venture capital presentations and connecting them to venture capitalists.
- Helping and guiding companies in applying for loans.
- Helping and guiding companies in accessing government agency.

Question 24. Enlist some sector specific schemes run by the government for the growth and development of Entrepreneurship in India.

Answer: Various sector specific schemes of the government are as follows:

1. Schemes implemented through KVIC (Khadi and Village Industries Commission)
2. Schemes implemented through Coir Board
3. Schemes for priority sector 4. Animal Husbandry Schemes
4. Dairy Development Schemes 6. Fisheries Development Schemes
5. Agriculture Development Schemes 8. Tea Board Schemes
6. Tourism Industry Schemes 10. Scientific and Engineering Research Schemes

Question 25. Name the factors giving rise to internal risk.

Answer: The various factors giving rise to internal risk:

- Human Factors: Due to involvement of human beings.
- Technological Factors: Due to unforeseen changes in the techniques of production.
- Physical Factors.

Question 26. Write down the features of insurable risk.

Answer:

- Insurable risks are those which can be covered through different types of insurance policies.
- The probability of an insurable risk can be determined, means can be forecasted.
- It is related to life and property against fire, theft, riots, etc.

Question 27. Write down the features of internal risk.

Answer:

- Internal risks are those risks which arise from the events taking place within the business enterprise.
- Such risks arise during the ordinary course of a business.
- These risks can be forecasted and the probability of their occurrence can be determined.
- They can be controlled by the entrepreneur to an appreciable extent.

Question 28. What is the outcome of human factor risk?

Answer: They may result from:

- strikes and lock-outs by trade unions;
- negligence and dishonesty of an employee;
- accidents or deaths in the industry;
- incompetence of the manager or other important people in the organization.

Question 29. What is the outcome of natural factor risk?

Answer: They may result from:

- Events like earthquake, flood, famine, cyclone, lightening, tornado, etc.
- Such events may cause loss of life and property to the firm or they may spoil its goods.

Question 30. What is the outcome of political factor risk?

Answer: They may result from:

- Political changes in a country like fall or change in the Government, communal violence or riots in the country, civil war as well as hostilities with the neighbouring countries.
- Changes in government policies and regulations may also affect the profitability and position of an enterprise.

Question 31. "The Gujarat earthquake caused irreparable damage not only to the business enterprises, but also adversely affected the whole economy of the State". Name the risk factor involved in it.

Answer: Risk is due to natural factor.

Question 32. "Emerging markets will create plenty of opportunities related to smart technology". How? Explain with the help of an example.

Answer: Emerging markets will create plenty of opportunities related to smart technology, by interconnecting with the world by providing more powerful devices and applications, at the same time introducing more cost-effective technology and meeting the demand of the consumers. In Kenya, for example, mobile phones are being used to collect data and report on disease-specific issues from more than 175 health centres serving over 1 million people. This technology has reduced the cost of the country's health information system by 25% and cut the time needed to report the information from four weeks to one week.

Question 33. Name five government schemes implemented by the Government for entrepreneurs.

Do you agree? How?

Answer: Yes, a conducive and stable political environment that encourages and rewards personal endeavour and hard work and favourable political policies can help and support the growth of entrepreneurial ventures in a country.

Question 34. What do you understand by dynamic risk? Give one example.

Answer: Dynamic risk occurs due to changes in the economy like

changes in demand for the product inflationary tendency in the economy, rising unemployment and fluctuations in the world economy and this type of risk are generally less predictable because they do not appear at regular intervals.

For instance,

- Due to market fluctuations, a well-known product of a firm may either lose its demand or may occupy a larger market share.
- Black and White TV to Flat screen, high definition TV.

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