



H. APPLICATION-BASED QUESTION

Q1. Vinay was a young entrepreneur who wanted to start a new business with an initial investment of 25 lakhs. He was not sure of what business he has to undertake. His friend suggested seeking the help of professionals who would spot the latest trends in the market and give him an idea, but Vinay decided to do it by himself. Suggest the various ways by which he can do it.

Ans: Vinay is a young entrepreneur and wanted to start a new business with some initial investment, accordingly he can follow different sources of business idea ways for generating ideas.

Sources of business ideas

- (i) Vinay must examine his own skill set for business ideas
- (ii) Keep up with current events and be ready to take advantage of business opportunities
- (iii) Invent a new product or service
- (iv) Add value to an existing product
- (v) Investigate others markets
- (vi) Improve an existing product or service
- (vii) Get on the band wagon.

MORE QUESTIONS SOLVED

I. VERY SHORT ANSWER TYPE QUESTIONS

Q1. What is the basic test for a successful entrepreneur?

Ans: The basic test of a successful entrepreneur is the identification of business opportunity in the environment and initiating steps to produce and sell goods and services to make use of the opportunity.

Q2. How Peter F. Drucker defined the word entrepreneur?

Ans: Peter F. Drucker defined entrepreneur as one who has always searches for an opportunity.

Q3. What do you understand by the word 'Scan'?

Ans: The word 'scan' - means to examine closely especially in search of something.

Q4. How scanning of environment is beneficial to an entrepreneurs?

Ans: Scanning of environment is always beneficial to an entrepreneur to know the present situation in the market, the various changes occurring in the economy as new trends, issues and expectations of people due to changes in the environment.

Q5. Who said, "Entrepreneur as one who always searches for an opportunity".

Ans: Peter F. Drucker.

Q6. Define Entrepreneurship Environment.

Ans: Entrepreneurship environment refers to the various forces within which various small, medium and large enterprises operate. These factors exert influence upon each other and do not operate in isolation.

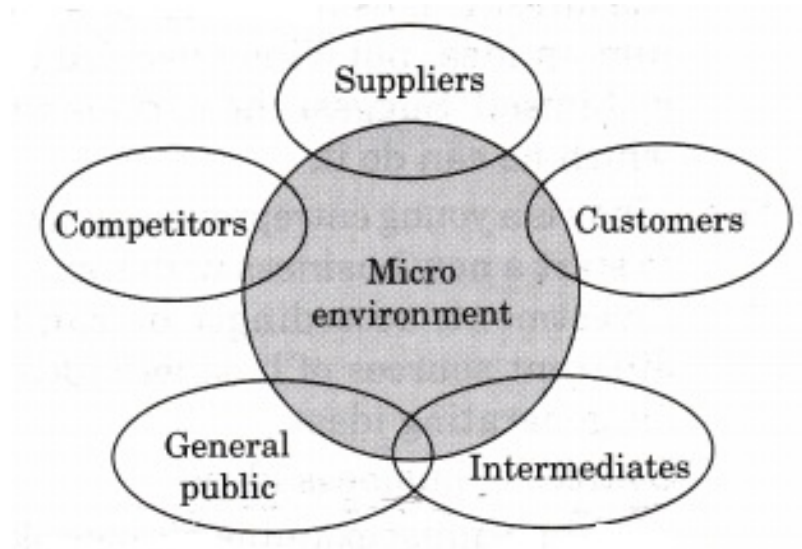
Q7. Name two levels of external environment.

Ans: The two levels of external environment:

- (a) Micro environment
- (b) Macro environment

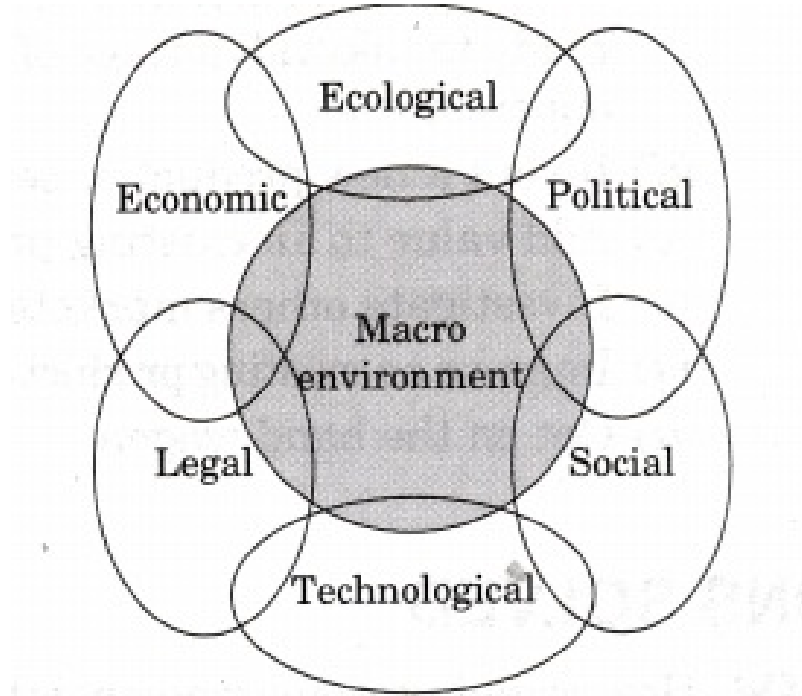
Q8. State the components of micro environment.

Ans:



Q9. State the components of macro environment.

Ans:



Q10. What do you mean by product line?

Ans: It refers to a series of different products which form a group, all made by the same company.

Or it is a set of sequential operations established in a factory whereby materials are put through a refining process to produce an end-product that is suitable for onward consumption; or components are assembled to make a finished article.

Q11. What is problem identification?

Ans: A problem is a road block in a situation, something that sets up a conflict and forces you to find a solution. When an entrepreneur identifies such a road block he is said to have identified the problem.

Q12. How an entrepreneur is different from others?

Ans: The entrepreneurs perceive opportunities, synthesize the available information and analyse emerging patterns that escape the attention of other people. They are people with vision, capable of persuading others such as customers, partners, employees and suppliers to see the opportunity, share and support it.

Q13. From where does a business opportunity or ideas comes from?

Give one example.

Ans: A business idea or opportunity comes from day-to-day problems of people and an entrepreneur is the person who solves it and fulfils it by providing product or services to people.

Q14. State some sources of information which helps an entrepreneur to get information that results in evolution of basic ideas.

Ans: Some sources of information are:

Magazines, journals, books, seminars, trade shows, family members, customers, friends, competitors.

Q15. Why an entrepreneur should be able to creatively identify an idea?

Ans: The entrepreneur should be able to creatively identify an idea so that he can easily generate a valuable solution to a problem.

Q16. Once the solution is identified by an entrepreneur how it helps him?

Ans: Once the solution is identified their vision to convert the solution into business opportunity help them to move forward, overcoming all the obstacles.

Q17. What is the key component of the talents and abilities needed for an entrepreneur.

Ans: Creativity is an important key component of the talents and abilities needed for an entrepreneur.

Q18. What are born as a result of problem solving?

Ans: Creative products and services are born as results of problem solving.

Q19. A prospective entrepreneur find opportunity?

Ans: For a prospective entrepreneur an opportunity may be derived from the needs and problems of the society.

Q20. Give one advantage that trading has over other types of businesses.

Ans: One big advantage that trading has over other types of businesses is that it is easier to launch and less risky.

Q21. State few cost variable of competitors which have to be studied to spot cost advantage.

Ans: Cost variable of competitors in terms of transportation delays, wastage, storage, etc., have to be studied to spot cost advantage.

Q22. How trend spotting will helps an entrepreneur?

Ans: Trend spotting will helps the entrepreneur to understand the market and produce goods or provide services in collaborate and integrate with the market trends, changing habits, consumers taste and preferences, etc.

Q23. Who are called Professional trend-spotters?

Ans: Professional trend-spotters are some entrepreneurs who spot the trends themselves and charge big money for reports and industry trend updates.

Q24. Who is a trend spotter?

Ans: A trend spotter refers to someone who specializes in identifying new market trends and make the changes possible. He is a keen observer, alert and notices on new fashions, changing habits, activities in the market. He can be forecaster, business leader, politician, stock analyst, futurist who identify trends and talk about the future to transmit a story into value for others. In short, the role of a trend spotter is to tell persuasive stories about the present and the future to influence others.

Q25. "A trend is a description of a change taking place in the long term or short term". Comment.

Or

What do you understand by the term trend?

Ans: A trend can be short term manifestations, e.g. a fashion, design, assumption. A trend can also be a long term mega trends, which typically has a minimum of 30-50 years relevance, e.g. globalization, individualization, digitalization.

Q26. Give one example of each "Trends can be invisible and visible".

Ans: Trends can be visible e.g. change in the gender roles; Trends can be invisible, e.g. Gadgets

Q27. Why creativity is important to entrepreneurs?

Ans: Creativity is important to entrepreneurs because it is the first stage in the process of innovation, providing the stimulus for opportunity discovery and new venture creation.

Q28. When is the illumination period starts for an entrepreneur?

Ans: Illumination starts when an entrepreneur re-surfaces the idea in realistic way and entrepreneur comes out with viable plan to give practical shape and implement an idea.

Q29. What should an entrepreneur do, "if the opportunity looks promising"?

Ans: When the opportunity looks promising, an entrepreneur should look into the environmental factors before choosing the best opportunity.

Q30. Kartik wants to start a new ready made garments shop in his colony. He knows that it is the best opportunity for him and it is going to give him high rate of promising returns. How do you agree with Kartik that he has selected a right opportunity?

Ans: Kartik should look into various factors before deciding on the opportunity. Even if the opportunity looks promising, he must look into the environmental factors (PESTEL) before choosing the best opportunity.

Q31. What do you understand by supply position?

Ans: Supply position is the complete picture of quantities of the product made available in the market by all the existing players.

Q32. From what do entrepreneurs spot business opportunities?

Ans: Entrepreneurs spot business opportunities from problems and needs that exist in the environment.

Q33. State two main objectives of environment study by an entrepreneur.

Ans:

(i) To get familiar with environment

(ii) To get stability in the environment

Q34. What develops an idea into viable and successful project?

Ans: Entrepreneurs vision and creativity develop an idea in a viable and successful business.

Q35. What do you understand by market research?

Ans: Market research is a process of working on various trends in market, it gives an organized effort to gathering information about target markets or customers. Marketing research is the means by which the necessary information necessary to run a business is obtained. It is the gathering, recording, and analysis of all facts about problems relating to the transfer and sale of goods and services from producer to consumer.

Q36. Give two examples of Service-sector idea fields.

Ans: Transportation, communication, banking, courier services,

event management, etc.

Q37. What is an opportunity?

Ans: It may be a chance to do something new. When a problem is solved by an entrepreneur in a challenging way, they find opportunities.

Q38. What do you understand by created opportunities?

Ans: Opportunity lies in our surroundings. Successful entrepreneurs are always looking for opportunities to help others by providing creative solutions to their problems and needs.

In business, entrepreneur always look for new ways to market our business, reach to target market and he creates opportunities by attending networking events, conferences, twitter chats, etc. for potential clients, meeting new people to refer business to or to grow our community.

Q39. Give examples of created opportunities.

Ans: Invention of radio, telephone, etc.

Q40. Name one important component of business strategy.

Ans: Market research is one of the important component of business strategy.

Q41. Give the alternative name used for verification stage.

Ans: The alternative given for verification stage is validation stage or testing stage.

Q42. Name the factor which relate to rules and regulations.

Ans: Political Factors.

Q43. Give one example showing that both economic and social factors can affect business idea together.

Ans: Selling of flowers during festive season. Here, festival is a social factor whereas demand for flowers is a economic factor.

Q44. How does market research help in generating ideas?

Ans: By market research an entrepreneur collects valuable information related to trends of demand, supply, consumers tastes and preferences and market, as it help in generation of ideas.

Q45. What is an idea?

Ans: It is a thought or collection of thoughts that generate in the mind of an individual.

Q46. Give the meaning of 'Legal Environment'. [CBSE Delhi 2015]

Ans: It covers all such areas such as taxation, employment, law monopoly, legislation and environmental protection laws.

Q47. Give the meaning of 'Ecological Environment'. [All India 2015]

Ans. 'Ecological Environment' considers the ways in which the organisation can produce its goods or services with minimum environmental damage.

Q48. Since her college days Mehak, loved the thrill of adventure sports. She was an avid reader which helped her to keep track of various new adventure sports taken up all around the world. She had recently read an article on increasing trend towards 'space tourism and adventurous holidays'. Using her personal experiences and her passion for adventure sports she decided to start a company called 'YOLO'. For the same purpose she also decided to collect statistics to see how much of these sports were accepted in our country. Identify the ways in which she was able to spot the trend. [CBSE Sample Paper 2016]

Ans: Following are the ways by which she can able to spot the trend:

(a) Entrepreneurs regularly read the leading publications and websites affecting their business.

(b) Publications include industry publications, trade association sites, major newspapers, key business magazines, thought leaders and influential bloggers.

(c) They scan information from a wide variety of sources - from international news on down to niche bloggers focused on specific aspects of their industry. Obviously, there's a tsunami of information available. They use tech-tools like RSS feeds, e-mail, newsletters or websites and forums to keep on top out of all and get the information they want. They understand quickly which sources are valuable and which should be avoided.

Q49. 'For a viable venture to be born, an entrepreneur is required to apply his knowledge strategically to market'. Identify the requirement to be complied with by these factors for successful processing of an idea into opportunity. [CBSE Sample Paper 2016]

Ans: Strategic positioning is the positioning of an organization in the future, while taking into account the changing environment, plus the systematic realization of that positioning.

Q50. Although not mandatory, some entrepreneurs may file part I of entrepreneurs memorandum district Industries Centre. Why? [CBSE Sample Paper 2016]

Ans: This may be necessary for claiming certain incentives/subsidies and for certain formalities at the state level.

Q51. Balwant Singh of Bikaner thought of air- conditioned houses which do not require electricity. He wanted to explore the idea of construction of such eco-friendly houses which will remain cool in summers and warm in winters. He conceived the idea in 2010 but the final product could take shape in 2014. name the stage in 'The Creative Process' described in the above lines. [All India 2016]

Ans: Idea germination stage of 'The Creative Process' is described in the above lines.

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