



TEXTBOOK QUESTIONS SOLVED

Question 1. Answer the following in about 15 words:

- (i) List the fields in which 'Trailblazer' has business strengths.
- (ii) List the fields in which 'Motivator' has business strengths.
- (iii) List the fields in which 'Collaborator' has business strengths.
- (iv) List the fields in which 'Diplomat' has business strengths.

Answer:

- (i) The trailblazers business strengths include the medical, technology, finance, legal and consulting fields.
- (ii) Motivators do well in business with partners, or in a business that involves others.
- (iii) Collaborators are good at running customer service-oriented or retail businesses, or any business where being convincing is an important aspect of getting the job done, and done right.
- (iv) The diplomats excel in retail or other people-oriented environments. Both outgoing and empathetic, they tend to be well-liked, but they sometimes have a hard time asserting them self and holding others accountable.

Question 2. Answer the following in about 50 words:

- (i) Describe the characteristics of a 'go-getter' type of personality.
- (ii) What is brainstorming?
- (iii) What do you mean by 'Environment Scanning'?
- (iv) What are focus groups?
- (v) Explain 'feasibility study'.
- (vi) What do you think is the reason for failure of business plan execution?

Answer:

- (i) Go-getters
 - (a) have dominance and sociability,
 - (b) are very driven and independent,
 - (c) are competitive,
 - (d) have great deal of initiative,
 - (e) have sense of urgency to get things done,
 - (f) are good leaders and good managers,
 - (g) work well in ambitious and unfamiliar environments.
- (ii) Brainstorming is a way of generating idea in which a group of persons sit together and generate a number of business ideas by innovating alternative ways of meeting the needs and solving problems.
- (iii) Environment scanning means the screening of large amounts of information to detect emerging changes or trends. Information is scanned from news magazines, reviews, government and consumer publications, trade publications, commercials, etc. Lot of effort is put in but in the end it is energy well spent.
- (iv) Focus groups is a way of generating idea in which the groups of individuals provide information about proposed commodity (good or service) in a structured setting. Group provides an excellent way to generate new ideas and to screen proposed ideas and concepts.
- (v) Following are the types of feasibility study:
 - 1. Market Feasibility: This involves a complete description of the industry, current situation of the market, anticipated future of the product, competition, sales projections, etc.
 - 2. Technical Feasibility: This involves the issues like how to deliver a

product or service, transportation, location of the enterprise, technological requirement, etc.

3. Financial Feasibility: It involves the issues like requirement of the start-up capital, seed capital, sources of capital, returns on investment, etc.

4. Organisational Feasibility: It involves the legal and corporate structure of the business, size of the venture, legal formalities and requirements, etc.

(vi) Many plans fail because of following reasons:

(a) Companies often fail to deliver on their promises.

(b) The strategy followed was wrong.

(c) Strategies not executed well.

(d) The failure to execute the plan.

(e) Ineffective linkage of strategy, people, and work processes.

Question 3. Answer the following in about 75 words:

(i) What do you mean by 'Opportunity Assessment'?

(ii) Why are feasibility studies more important?

(iii) Why do you think the role of family in an entrepreneur's life is important?

Answer:

(i) Opportunity Assessment includes in-depth review of business opportunity, market research, intellectual property analysis, opportunity development timing, legal liability issues, applications of the opportunity, barriers to entry, industry trends, growth potential, market positioning, competitive analysis, financial projections and pricing, resource requirement analysis and licensing, etc.

(ii) Following are the main features of feasibility study:

(a) Process: A feasibility study is a process in which an idea is studied to see whether it will work and if going to work then how it will work.

(b) Comprehensive: A feasibility study looks at the total structure, needs, requirements, operations of a business, etc.

(c) Specific: Feasibility study looks at one issue, i.e. specific task, program, idea, or problem.

(d) Pros and cons: A feasibility study looks at both sides, i.e. merits and demerits. It also takes into consideration potential problems.

(e) Foundation: A feasibility study serves as a foundation for developing a successful business plan.

(f) Essential requirement for loan: Lending financial institution require the feasibility study considering the proposal for loan by the entrepreneur.

(iii) (a) What family and friends think or opine about entrepreneurship has a crucial role to play.

(b) Besides, the view of the family, their support and the society with regard to failure is also a very important factor.

(c) Family's support is very essential as the entrepreneur need to borrow initial finances from the family and friends.

(d) The family's attitude towards education and other careers in fields like medicine, engineering, etc. are also likely to dominate the youth's mindset towards entrepreneurship.

(e) A prospective bride-groom can also become a deciding factor, promoting or inhibiting entrepreneurship.

Question 4. Answer the following in about 150 words:

(i) According to Dell, what was the final outcome of the study about women entrepreneurs.

(ii) Explain in detail any four entrepreneurial types.

(iii) Explain any four main sources of ideas.

(iv) Explain the types of feasibility study.

(v) Differentiate between feasibility study and business plan.

(vi) What purposes does a business plan serve?

Answer:

(i) According to a new study commissioned by Dell in January 2012, the ideal country to be where a woman starting a business in 2012

could well be India. Women entrepreneurs in India anticipate, an average of 90 per cent over the next five years.

(ii) Following are the details of four types of entrepreneurs:

(a) Trailblazers:

Trailblazers are:

1. very competitive
2. ambitious
3. goal-oriented
4. tend to be aggressive
5. sometimes take a steamroller approach
6. restless and energetic
7. a strong drive
8. sense of urgency
9. logical, analytical, practical and realistic
10. calculated risk takers

Trailblazers tend to have two speeds: fast and faster. They aren't happy unless they are in charge. Trailblazers tend to take their decisions on facts rather than feelings. The trailblazers business strengths include the medical, technology, finance, legal and consulting fields. Trailblazers prefer being the driving force of a business.

(b) Go-getters

1. have dominance and sociability
 2. are very driven and independent
 3. are competitive
 4. have a great deal of initiative
 5. have sense of urgency to get things done
 6. are good leaders and good managers
 7. work well in ambitious and unfamiliar environments
- Go-getters represent the largest percentage of the founders.

Go-getters show a great deal of initiative, coupled with a compelling sense of urgency to get things done. Go-getters are typically good leaders and good managers, excelling at motivating themselves and those around them.

The go-getter's business strengths could include doing well in retail, but may prefer being the outside rainmaker.

They work well in ambitious and unfamiliar environments. They can invest in, buy or start a business that's totally new to you and still make a success of it. They don't need to be an expert in the field to start the business, they are good collaborators and can learn as they go.

(c) Managers:

The features of managers are-

1. dominant and independent
2. very goal-oriented
3. quite analytical
4. focusing more on processes and outcomes than on people
5. straightforward style of communication
6. have a higher-than-average level of relaxation
7. loyal, sometimes to a fault, as they consider their employees to be an extension of their family.

The manager's business strengths are:

1. doing things on their own
2. they excel at competitive selling because they enjoy overcoming rejection and achieving goals.
3. they enjoy working by themselves. Managers excel at competitive selling because they enjoy overcoming rejection and achieving goals despite obstacles.

(d) Motivators:

Motivators have following features-

1. have a high level of sociability.
2. have the ability to work well under pressure and in autonomous situations.
3. are great consensus builder and a good collaborator
4. are a driver of change

The motivator's business strengths is:

1. Retail can be their game - or any environment where people are a large part of the equation.
2. They do well in any business that involves people, as long as it's a somewhat non-confrontational environment.
3. They can be convincing and avoid most confrontations by creating a strong emotional argument.
4. They do well in the toughest of customer service roles, as they are able to see both sides of the argument.
5. Motivators tend to deal with the negative arguments by using the three F's—feel, felt and found—saying, —I understand how you are feeling. In fact, I have felt the same way, but when I learned, what I found was (again, insert your point).
6. Motivators excel at leadership or sales.
7. Motivators do well in business with partners, or in a business that involves others.

(iii) The different structured approaches adopted to generate ideas are:

1. Environment Scanning: It means the screening of large amounts of information to detect emerging changes or trends. Information is scanned from news magazines, reviews, government and consumer publications, trade publications, commercials, etc. Lots of effort is put in but the end it is energy well spent.
2. Creativity and Creative Problem Solving: Creativity is the ability to combine ideas in a unique way or to make unusual associations between the ideas. It involves cross thinking by seeing new angles, connections and approaches. The role of creativity and creative problem solving for generating ideas is that a number of specific creative approaches can be used. For example attribute listing, free association, etc.
3. Brainstorming: Here a group of persons sit together and generate a number of business ideas by innovating alternative ways of meeting the needs and solving problems. A number of ideas are discussed and finally a concrete idea is the end result.
4. Focus Groups: In this way generating idea, the groups of individuals provide information about proposed commodity (good or service) in a structured setting. Here a moderator focuses the group discussion or issues are being examined. Such group can provide an excellent way to generate new ideas and to screen proposed ideas and concepts.
5. Market Research: This is a method of gathering information about products/ services that already exist in the market. Demand supply position for a particular product or service is studied in the market and based on it new ideas for products and services are obtained.

(iv) Following are the types of feasibility study:

1. Market Feasibility: This involves a complete description of the industry, current situation of the market, anticipated future of the product, competition, sales projections, etc.
2. Technical Feasibility: This involves the issues like how to deliver a product or service, transportation, location of the enterprise, technological requirement, etc.
3. Financial Feasibility: It involves the issues like requirement of the start-up capital, seed capital, sources of capital, returns on investment, etc.
4. Organisational Feasibility: It involves the legal and corporate structure of the business, size of the venture, legal formalities and requirements, etc.

(v) Following are the points of difference between Feasibility Study and Business plan:

- (a) A feasibility study can be defined as a controlled process for identifying problems and opportunities, determining objectives, describing situations, defining successful outcomes, and assessing

the range of costs and benefits associated with several alternatives for solving a problem. On the other hand, a Business Plan is a written summary of various elements involved in starting a new enterprise like arrangement of resources, mobilizing resources, etc.

- ib) The feasibility study can be completed prior to the business plan.
- (c) The feasibility study helps determine whether an idea or business is a viable or not, whereas the business plan is developed after the business opportunity is created.
- (d) A feasibility study is carried out to know if the business venture is worth the time, effort and resources while a business plan is made up of mostly tactics and strategies to be implemented in order to grow the business.
- (e) A feasibility study can be converted to a business plan.
- (f) The business plan is studied in terms of growth and sustainability whereas the feasibility study studied in terms of idea viability.
- (vi) A business plan serves the following purposes:
 - (a) Blue print: It provides a blueprint of actions to be taken by the firm in future.
 - (b) Guidance: It guides the entrepreneur in raising and mobilising the factors of production.
 - (c) Organisation: It serves as a guide to the entrepreneur in organizing and directing the activities of the entrepreneurial venture.
 - (d) Progress: It helps in measuring the progress of the venture at various stages
 - (e) Communication: It communicates to investors, lenders, suppliers, etc. initiating the programmes of the business.

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