



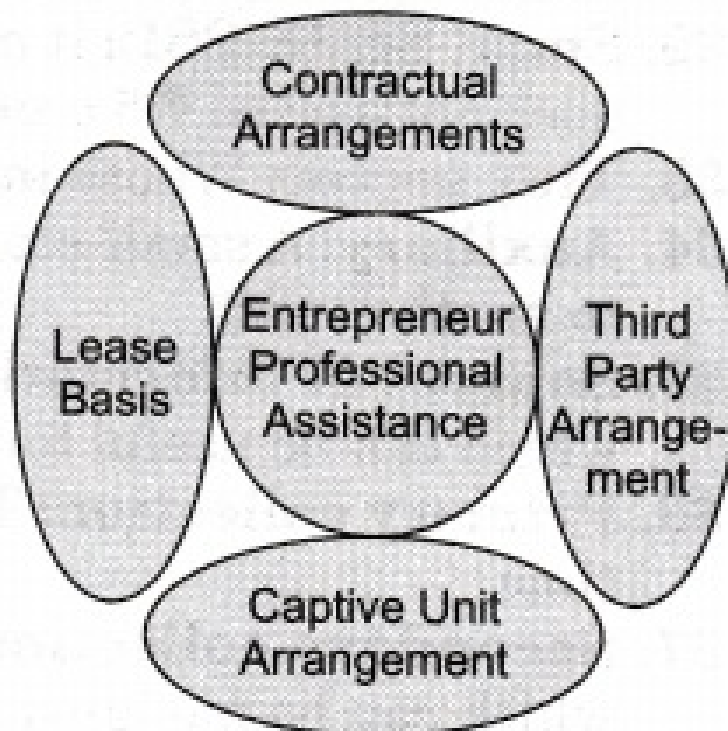
## TEXTBOOK QUESTIONS SOLVED

Question 1. Answer in not more than 15 words:

- (i) Define the term 'resources'.
- (ii) Why do entrepreneurs need resources?
- (iii) What do you mean by mobilisation of resources'?
- (iv) Name two state level organisations, which provide information about the infrastructural facilities.
- (v) How can a professional assistance?

Answer:

- (i) It refers to anything or means physical tangible/non-physical-tangible required or required to support the activities of organisation to achieve pre-determined organizational goals.
- (ii) Resources' are life blood of any economic activity. Resources are needed for setting up and running of the business organisation to achieve the objectives and goals.
- (iii) Resource mobilization is the process of getting resource from resource provider like landlord, financiers, labourers using different mechanisms, to implement the organization's work for achieving the pre-determined organizational goals.
- (iv) (i) DIC (District Industries Centre)
- (ii) EB (Electricity Board)
- (iii) LA (Local Authority)



(v) Now-a-days, these services are not limited to licentiates (i.e. individuals holding professionals licenses), they may run to partnership, firms, or corporations as well as to individuals. An entrepreneur procures professional assistance according to analyse and evaluate the extent, nature and type of resource required. He can arrange any one for these types:

- Contractual arrangements

- Third party arrangement
- Captive unit arrangement
- Part time arrangement
- Regular basis

Question 2. Answer in not more than 50 words:

- What are physical resources? Give two examples.
- What factors help in determining the resources required?
- What basic resources are required to commence any enterprise?
- Enlist any four expert professional assistance required to start a school.
- Name any four factors to be kept in mind while selecting physical resources.

Answer:

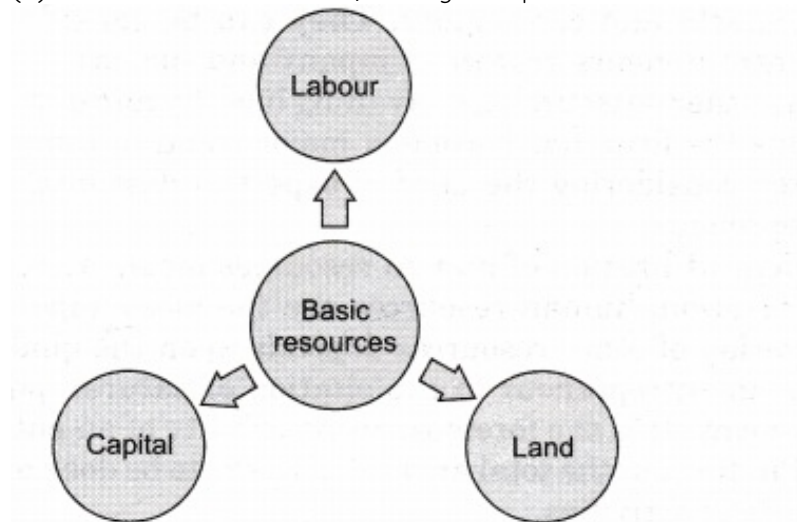
(i) Physical resources are those that are made by human through his abilities and skills.

They are available to an organisation and it is required for running of an enterprise. For example: buildings, plants, machineries, etc.

(ii) The various factors involved in determining the resources required are:

- The right type of resource selected by an entrepreneur and other related expert,
- Procurement should be at right time,
- All purchases of resources should be at right price with making right use of acquired resources and at last ensuring optimum and fuller utilization of the arranged resources.

(iii) The most basic resources, for any enterprise are:



(iv) The main resources used in a school are:

S.No.	Resources	Expert Professional Assistance
(i)	Land and Building	Land and building-Lease basis/ Third Party (bank)
(ii)	School teachers	Regular basis
(iii)	Highly skilled professional teachers/seniors	Part time arrangement
(iv)	Transport services (bus facilities)	Contractual basis/Lease basis
(v)	Unskilled staff (sweepers, cleaners)	Contractual arrangement
(vi)	Other benefits – Provident fund/medical benefits/insurance	Contractual basis

- Capital Cost
- Access to other resources
- Transport and Communication Cost
- Availability of manpower and its cost (wages, salaries)
- Cost of production
- Availability of other utilities like water, gas, fuel, etc.
- Access to market for both raw material and finished goods

Question 3. Answer in not more than 75 words:

- Why does an entrepreneur need expert professional services?
- What is said to be an “efficient utilization of human resources”?

(iii) Why should entrepreneurs ensure that there is a “right individual at the right job”?

Answer:

(i) Today is an era of specialization. Competitive advantage can be realized only when businesses become more efficient in their operations and reduce the cost of their inefficiencies. Give the best to the society.

The need of an expert professional services realized by most of the successful organizations whether small or large in the following form:

(a) Entrepreneurs alone cannot do justice to all areas and aspect of business like - production, distribution, marketing, legal, researching, accounting, human resource or product development, etc.

(b) They do not have ample expertise, resources, time and energy in their hands to meet out the never ending requirements of the enterprise.

(c) Entrepreneurs always work on a strategic plan to accomplish functional goals in an efficient and effective way, they need expert professional services.

(d) In addition to their professional expertise, these are trusted business advisors, experts and connectors. They can be considered as the most important to entrepreneurs growing company and success.

Thus, either outsourcing or availing healthy mix of various professional services from outside the firm, has become a major trend in human resources, and entrepreneur started considering the need of expert professional services as a basic need for an entrepreneur.

(ii) Efficient utilization of human resources means fuller utilization of resources. In an organization, human resources are the most important element and the effective utilization of other resources depends upon the quality of human resources. It also helps an entrepreneur in exploitation of natural, physical, financial resources in a better way. It is the foremost responsibility of an entrepreneur/human resource to:

(a) Finding out the total amount of works to be done and then dividing it into different sets of activities.

(b) The total number of tasks and jobs required to be accomplished under different activities.

(c) How much work can an average person do in a specified period of time? Secondly: An entrepreneur make a manning table/organisation chart to determine: How many people, at what level, in what positions and what kind of experience and training would be required to provide organizational environment and to meet its objectives.

Thirdly: Other ways by which human resources can be developed and led to performance depending upon the total structure, local climate and motivational factor like providing scope for participation, rewards and scope for performance and the futuristic needs of the organisation with the help of all the workforce involved in the operation of the business like:

1. Managerial Staff: Framing policies, objectives goals, etc. for the enterprise, ensuring their implementation and finally getting the work done from workers is the field area of this category.

2. Non-managerial staff: The real group which effectively converts the raw material into finished goods is ‘workers’. Nature of job decides the quality and quantity of workers to be assigned.

3. Trained Technical Manpower: This constitutes of people who have technological expertise and are frequently required for machinery selection, installation, supervision and operation.

4. Administrative Manpower: These are a group of staff which gives support services to managerial, professional and trained staff. They are not involved in production directly but only provide assisting services in the maintenance of the enterprise.

5. Professional Manpower: Chartered accountants, auditors,

bankers, lawyers, who are professional experts can be outsourced by the entrepreneur if required. Small enterprises cannot afford them on their regular payrolls.

Thus, efficient utilization of human resources is only possible if the entrepreneur is able to decide:

- (a) The total work to be done.
- (b) The right type of people who can do the work.
- (c) Employing right man at right job.
- (iii) Human resource is a vital element for any enterprise and all other resources depends upon the quality of human resources. It also helps an entrepreneur in exploitation of other resources like natural, physical, financial resources in a better way. It includes skilled, unskilled and administrative staff. Growth and development of any enterprises depend on the factors like skills and talents of the employees, competency and talents of the employees, their dedication sincerity and the leadership skills of the owners.

Dynamic group or team is always successful in meeting the challenges, changes, problem of the market. A joint effort of all the members of an enterprises contribute to achieve the objectives of an organisation and the feasibility of the enterprises. 'Right man at right job at the right time'— is the mantra for successful enterprises because it ensures:

- (1) Benefits of specialization to the firm
- (2) Minimizes wastages of resources
- (3) Reduces inefficiencies
- (4) Reduces labour turnover ratio and rate of absenteeism
- (5) Saves cost of production.

Question 4. Answer in not more than 150 words:

(i) Define 'intangible resources'. What do they generally comprise of?

(ii) With reference to utilization of resources, state any four moral responsibilities of the entrepreneur.

Answer:

(i) These resources are neither felt nor seen, far from being touched or preserved 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. This category generally comprises of:

- (a) Goodwill: The difference between the value of the tangible assets of the business and the actual value of the business (what someone would be prepared to pay for it).
- (b) Reputation: Though it is generally not present in case of new entrepreneurs. But if he is acquiring or entering into a partnership or some alliance, he may benefit from the goodwill of his associate, if any.
- (c) Brands: It is a name given to a product in order to be recognized and differentiated from other similar products.
- (d) Intellectual Property: Key commercial rights protected by patents and trademarks may be an important factor to be worked out by the entrepreneur.

(ii) Resource mobilization advocates upon moral responsibilities of the entrepreneur having:

- the right type of resource
- at the right time
- at right price
- with making right use of acquired resources thus ensuring optimum utilization of the same.

Question 5. Answer in not more than 250 words:

(i) What are material resources? While planning state the important decisions to be made by the entrepreneur.

(ii) "Procurement of physical resources is not easy". Giving reasons,

state what is required to be planned for this procurement.

Answer: (i) Whether a business deals in trading business, manufacturing business or a services, certain operations are essentially carried out combining raw material, processing and assembling, machines, tools, power, etc.

Every entrepreneur must have a deep insight into the production processes is essential for effective handling of the enterprise. To successfully convert raw material into finished products with value addition, a wide range of arrangements need to be worked out by entrepreneur. Some of the important decisions are regarding:

- (1) Size of the unit and its installed capacity.
  - (2) Identifying machinery and the technical know-how required.
  - (3) Technical training involved.
  - (4) Quality control systems required.
  - (5) Type of technical staff required.
  - (6) Maintenance Cost
  - (7) Availability of spare parts and support services (after sale services)
  - (8) Wear and tear rate of assets.
  - (9) The type of raw materials required.
  - (10) Supplies of the raw material, their number and location.
- (ii) Physical resources are those that are made by human through his abilities and skills. It includes various capital equipments required by an entrepreneur at the start up stage of the business that he can carry out his business smoothly. They are available to an organisation in the form of:
- (a) buildings, plants, machineries, etc.
  - (b) Raw-material required for the basic operation
  - (c) Other requirements depending upon the nature of the product and services for running of an enterprise like technology:



- So, the foremost concern for the entrepreneur is to assess the 'place' where the enterprise is going to be established.
- The basic infrastructure required to be constructed is all part of physical resources.
- The category of physical resources covers a wide range of operational resources concerned with the physical capability of the enterprise.

A careful selection of physical resources is essential because many allied issues are influenced by the 'place', selected, such as:

- (1) Capital Cost: with physical resources should be within the limit laid down.
- (2) Access to other resources: at initial stage availability should be assured.
- (3) Transport and Communication Cost: should be within the limit.
- (4) Availability of manpower and its cost: (wages, salaries)-all skilled, unskilled, administrative staff and technical expert should be available and their remuneration should be appropriate.
- (5) Cost of production: should not exceed.
- (6) Availability of other utilities: like water, gas, fuel, etc. The premises should be located according to the availability of various infrastructural requirement like water, gas, power, fuel, etc.
- (7) Access to market: for both raw material and finished goods - within the area easily access and delaying should be avoided for both market and supply of finished goods.
- (8) Pollution concerns involved: It should be cross checked and verified throughout means should not be harmful to the society.

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