

Entrepreneurship and Start-ups (4300021) - Winter 2023 Solution

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December 01, 2023

Question 1(a) [3 marks]

Give Comparison between Entrepreneurship and Intrapreneurship.

Solution

Table 1. Entrepreneurship vs Intrapreneurship

Aspect	Entrepreneurship	Intrapreneurship
Definition	Starting own business with personal risk	Innovation within existing organization
Risk	Personal financial risk	Organization bears risk
Resources	Own/borrowed resources	Company provides resources

Mnemonic

“”EXternal vs INternal innovation””

Question 1(b) [4 marks]

Discuss characteristics and functions of Entrepreneurship

Solution

Characteristics:

- **Risk-taking ability:** Willingness to take calculated business risks
- **Innovation:** Creating new products, services, or processes
- **Leadership skills:** Ability to guide and motivate teams

Functions:

- **Job Creation:** Generates employment opportunities for society
- **Economic Development:** Contributes to GDP and national growth
- **Innovation catalyst:** Introduces new technologies and solutions

Mnemonic

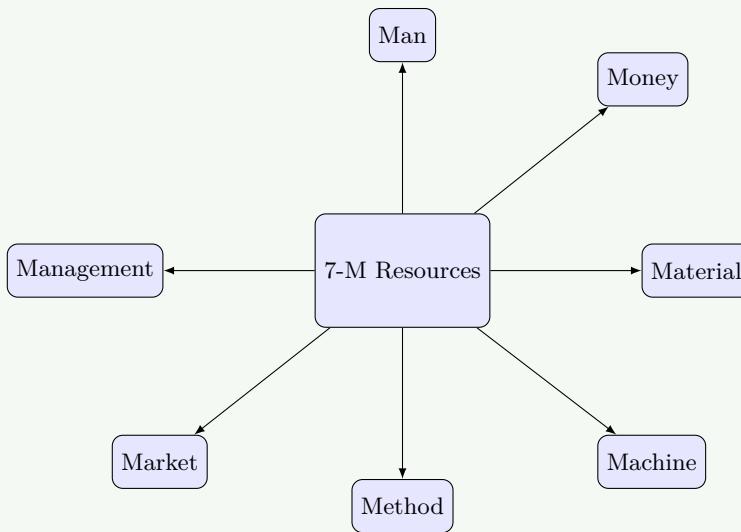
“”RIL Creates Jobs Economically & Innovatively””

Question 1(c) [7 marks]

Identify and discuss 7-M Resources in detail.

Solution**Table 2.** 7-M Resources

Resource	Description	Importance
Man	Human resources and workforce	Core asset for operations
Money	Financial capital and funding	Essential for business operations
Material	Raw materials and supplies	Production requirements
Machine	Equipment and technology	Operational efficiency
Method	Processes and procedures	Systematic approach
Market	Customer base and demand	Revenue generation
Management	Planning and coordination	Overall business control

**Figure 1.** 7-M Resources Mindmap**Mnemonic**

“”Many Modern Managers Make Money Managing Markets””

Question 1(c) OR [7 marks]

Write down the Start Up India Registration process.

Solution**Start-up India Registration Steps:**

1. **Online Registration:** Visit www.startupindia.gov.in
2. **Document Preparation:**
 - Certificate of Incorporation
 - PAN Card of entity
 - Brief description of business
3. **Eligibility Criteria:**
 - Entity age less than 10 years
 - Annual turnover less than 100 crore
 - Working towards innovation/improvement
4. **Application Submission:** Complete online form with required documents
5. **Verification Process:** Government review and approval

6. Certificate Issuance: Receive recognition certificate

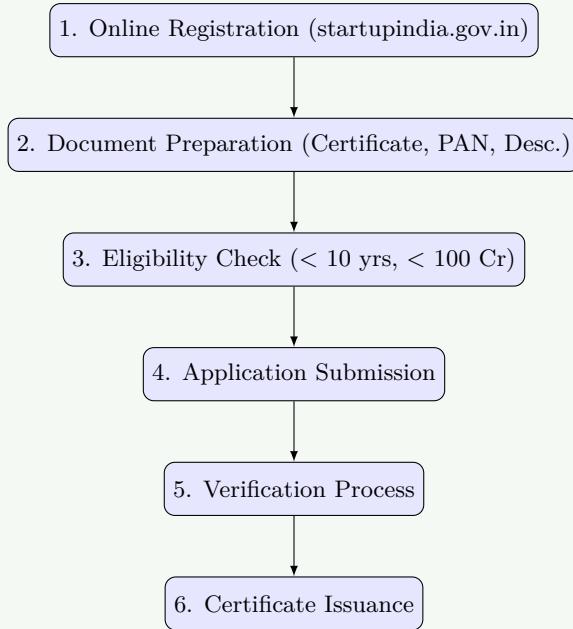


Figure 2. Start-up India Registration Process

Benefits:

- **Tax exemptions** for 3 consecutive years
- **Fast-track patent** application process
- **Compliance reduction** under labor and environment laws

Mnemonic

“”Online Documents Eligibility Application Verification Certificate Benefits””

Question 2(a) [3 marks]

List Methods of Market Research.

Solution

Primary Research Methods:

- **Surveys:** Questionnaires to collect customer data
- **Interviews:** Direct interaction with target audience
- **Focus Groups:** Group discussions for feedback

Secondary Research Methods:

- **Online Research:** Internet-based data collection
- **Published Reports:** Industry analysis and studies
- **Government Data:** Statistical information from official sources

Mnemonic

“”Survey Interview Focus Online Published Government””

Question 2(b) [4 marks]

Draw and Explain Product Life Cycle.

Solution

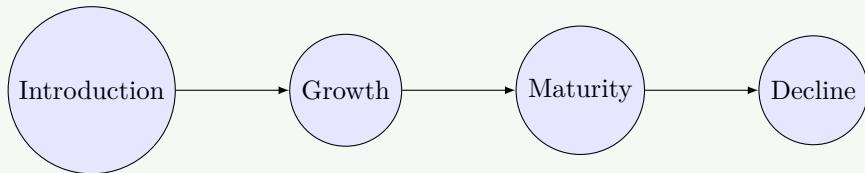


Figure 3. Product Life Cycle Stages

Stages:

- **Introduction:** Product launch with high marketing costs
- **Growth:** Rapid sales increase and market acceptance
- **Maturity:** Peak sales with intense competition
- **Decline:** Decreasing demand and eventual phase-out

Mnemonic

“I Grow My Dreams”

Question 2(c) [7 marks]

Identify and discuss 4 P's of Marketing.

Solution

Table 3. 4 P's of Marketing

P	Example Element	Description
Product	Features, quality, branding	Goods/Services offered to satisfy needs
Price	Strategy, discounts	Cost to customer and competitive position
Place	Channels, location	Distribution channels and accessibility
Promotion	Advertising, PR	Marketing communication and awareness

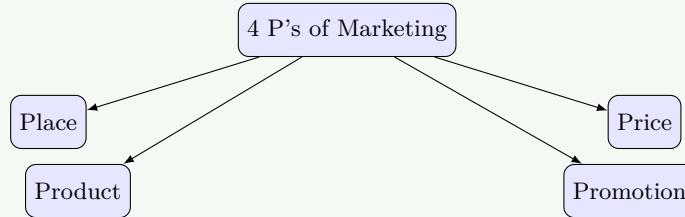


Figure 4. Marketing Mix

Integration: All 4 P's must work together for effective marketing strategy.

Mnemonic

“People Purchase Products Properly”

Question 2(a) OR [3 marks]

Discuss B2B, E-commerce and GeM.

Mnemonic

“Businesses Buy Electronically, Government e-Markets””

Question 2(b) OR [4 marks]

Write a note on the plans for creating and starting the business

Solution

Business Creation Plans:

- Market Analysis:
 - Target customers: Identify primary audience
 - Competition study: Analyze existing players
 - Market size: Determine potential revenue
- Financial Planning:
 - Capital requirements: Initial investment needed
 - Revenue projections: Expected income streams
 - Break-even analysis: Profitability timeline
- Operational Setup:
 - Location selection: Strategic positioning
 - Resource allocation: Human and material resources
 - Legal compliance: Licenses and registrations

Mnemonic

“Market Finance Operations = Business Success””

Question 2(c) OR [7 marks]

Explain the concept of Risk and SWOT analysis.

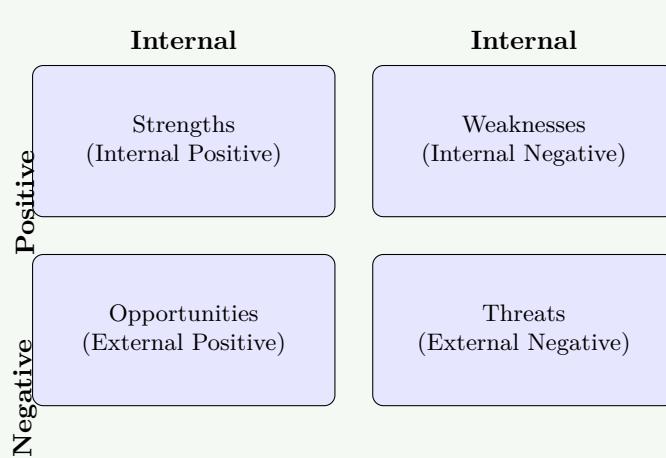
Solution

Risk Concept: Risk is uncertainty that can affect business outcomes, both positively and negatively.

Types of Business Risks:

- **Financial Risk:** Cash flow and funding issues
- **Market Risk:** Demand fluctuations and competition
- **Operational Risk:** Production and service delivery problems

SWOT Analysis:

**Figure 5.** SWOT Analysis Matrix**Table 5.** SWOT Factors

Internal Factors	External Factors
Strengths - Core competencies - Unique resources	Opportunities - Market growth - New technologies
Weaknesses - Skill gaps - Resource limitations	Threats - Competition - Economic changes

Risk Mitigation Strategies:

- **Diversification:** Spread risks across different areas
- **Insurance:** Transfer risk to insurance companies
- **Contingency planning:** Prepare for unexpected situations

Mnemonic

“”Strong Weak Opportunities Threaten = SWOT””

Question 3(a) [3 marks]

Write short note on cooperative type organization.

Solution**Cooperative Organization:**

- **Definition:** Voluntary association of people for mutual benefit
- **Ownership:** Collectively owned by members
- **Control:** Democratic management with equal voting rights

Characteristics:

- **Member participation:** Active involvement in decision-making
- **Profit sharing:** Benefits distributed among members
- **Social purpose:** Focus on community welfare

Examples: Agricultural cooperatives, credit unions, housing societies

Mnemonic

“”Collective Ownership with Democratic Management””

Question 3(b) [4 marks]

Give a list of functions of management and define all of them.

Solution

Table 6. Functions of Management

Function	Definition	Key Activities
Planning	Setting objectives and strategies	Goal setting, forecasting, budgeting
Organizing	Arranging resources and structure	Departmentation, delegation, coordination
Staffing	Human resource management	Recruitment, training, performance evaluation
Directing	Leading and motivating employees	Communication, leadership, supervision
Controlling	Monitoring and correcting performance	Performance measurement, feedback, correction

Mnemonic

“”Proper Organization Supports Directed Control””

Question 3(c) [7 marks]

Describe types of Ownership and explain any three in detail.

Solution**Types of Business Ownership:**

Type	Ownership	Liability	Control
Sole Proprietorship	Single owner	Unlimited	Complete
Partnership	2+ partners	Unlimited	Shared
Company	Shareholders	Limited	Board of Directors
Cooperative	Members	Limited	Democratic

Detailed Explanation:

- **1. Sole Proprietorship:**
 - **Advantages:** Easy formation, complete control, tax benefits
 - **Disadvantages:** Unlimited liability, limited resources, business continuity issues
 - **Suitable for:** Small businesses, professional services
- **2. Partnership:**
 - **Advantages:** Shared resources, specialized skills, easy formation
 - **Disadvantages:** Unlimited liability, conflict potential, shared profits
 - **Types:** General partnership, limited partnership
- **3. Company:**
 - **Advantages:** Limited liability, perpetual existence, easier capital raising
 - **Disadvantages:** Complex regulations, double taxation, loss of control
 - **Types:** Private limited, public limited

Mnemonic

“Single Partners Companies Cooperate”

Question 3(a) OR [3 marks]

Explain different Leadership Models.

Solution**Leadership Models:**

Model	Approach	Best Used When
Autocratic	Leader makes all decisions	Crisis situations, quick decisions needed
Democratic	Participative decision-making	Team input valuable, time available
Laissez-faire	Hands-off approach	Experienced team, creative work

Modern Models:

- Transformational:** Inspiring vision and change
- Transactional:** Reward-punishment based
- Situational:** Adapts style to situation

Mnemonic

“Auto Demo Laissez Transform Transact Situate”

Question 3(b) OR [4 marks]

Give the difference between Administration and Management

Solution

Table 7. Administration vs Management

Aspect	Administration	Management
Focus	Policy formulation	Policy implementation
Level	Top level function	Middle level function
Nature	Planning and thinking	Doing and executing
Scope	Broader organizational	Specific departmental

Key Differences:

- Administration:** Strategic, long-term, conceptual
- Management:** Operational, short-term, practical

Relationship: Administration sets direction, Management executes plans.

Mnemonic

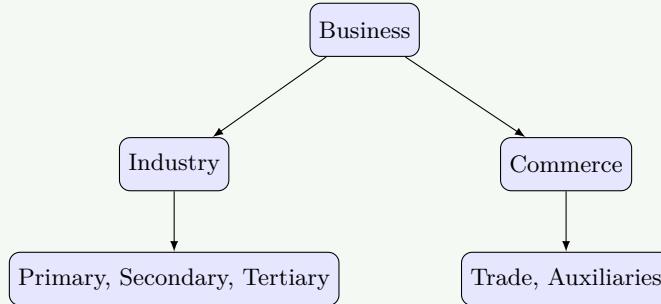
“Admin Plans, Management Implements”

Question 3(c) OR [7 marks]

Explain the concept of difference between industry, commerce and business.

Solution**Table 8.** Industry, Commerce, Business

Concept	Definition	Primary Activity	Examples
Industry	Production of goods	Manufacturing, processing	Steel, textiles
Commerce	Distribution of goods	Trading, transportation	Wholesale, retail
Business	Overall economic activity	Production + distribution	Complete enterprise

**Figure 6.** Business Components**Mnemonic**

“”Industry Creates, Commerce Distributes, Business Integrates””

Question 4(a) [3 marks]

Explain following terms: 1.Contracts 2.Copyrights

Solution**Table 9.** Contracts vs Copyrights

Term	Definition	Key Features
Contracts	Legal agreement between parties	Binding, enforceable, mutual obligations
Copyrights	Intellectual property protection	Creative works, exclusive rights, limited duration

Contract Elements: Offer and acceptance, Consideration, Legal capacity.

Copyright Protection: Duration (lifetime + 70 years), Rights (reproduction, distribution).

Mnemonic

“”Contracts Bind, Copyrights Protect””

Question 4(b) [4 marks]

Give a note on startup incubation center and Modalities.

Solution**Startup Incubation Centers:**

- Purpose:** Support early-stage startups with resources and guidance
- Services:** Mentorship, funding, workspace, networking

Key Modalities:

- **Pre-incubation:** Idea validation, Team formation, Prototype development
- **Incubation Phase:** Business model refinement, Market testing, Funding preparation
- **Post-incubation:** Alumni network, Follow-up funding, Scaling support

Mnemonic

“”Pre-incubate, Incubate, Post-support Startups””

Question 4(c) [7 marks]

List State level agencies which supports start-ups and describe their functionalities

Solution**Gujarat State Support Agencies:**

Agency	Full Form	Key Functions
SSIP	Student Startup & Innovation Policy	Student entrepreneur support, funding
iHub	Innovation Hub Gujarat	Incubation, mentorship, networking
GUSEC	Gujarat University Startup Council	University-level startup promotion
GIDC	Gujarat Industrial Development Corp	Industrial infrastructure, land

Detailed Functionalities:**SSIP Gujarat:**

- **Funding support:** Up to Rs. 2 lakh for student startups
- **Incubation facilities:** Workspace and equipment access
- **Mentorship programs:** Industry expert guidance
- **IPR support:** Patent filing assistance

iHub Gujarat:

- **Startup ecosystem:** Complete entrepreneurship support
- **Technology transfer:** Research to market conversion
- **Investor connections:** Funding facilitation
- **Industry partnerships:** Corporate collaboration

GUSEC:

- **Student engagement:** Campus entrepreneurship programs
- **Skill development:** Entrepreneurship education
- **Competition organization:** Startup contests and pitches
- **Network building:** Alumni entrepreneur connections

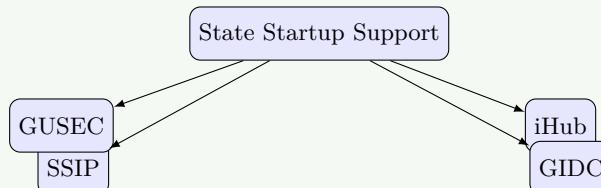


Figure 7. State Agencies

Impact Measurement:

- **Number of startups supported** annually
- **Job creation** through supported ventures
- **Revenue generation** of incubated companies
- **Success rate** of graduated startups

Mnemonic

“”SSIP iHub GUSEC GIDC Support Gujarat Startups””

Question 4(a) OR [3 marks]

Explain following terms: 1.IPR 2.Trademarks

Solution

Table 10. IPR vs Trademarks

Term	Definition	Protection Scope
IPR	Intellectual Property Rights	Ideas, inventions, creative works
Trademarks	Brand identification marks	Names, logos, symbols

IPR Categories:

- **Patents:** Technical inventions (20 years)
- **Copyrights:** Creative expressions (lifetime + 70 years)
- **Trademarks:** Brand identifiers (10 years, renewable)

Trademark Features:

- **Distinctiveness:** Unique brand identification
- **Commercial use:** Business identification purpose
- **Registration:** Legal protection through registration

Mnemonic

“”IPR Protects, Trademarks Identify””

Question 4(b) OR [4 marks]

Define the role of Investor in start-up.

Solution**Investor Roles in Startups:**

- **Financial Support:** Seed funding, Growth capital, Bridge financing
- **Strategic Guidance:** Business mentorship, Network access, Market insights
- **Operational Support:** Team building, Technology guidance, Legal compliance
- **Risk Management:** Due diligence, Performance monitoring, Exit strategy

Types of Investors: Angel investors, Venture capital, Corporate investors.

Mnemonic

“”Finance Strategy Operations Risk = Investor Roles””

Question 4(c) OR [7 marks]

List National level agencies which support start-ups and describe their functionalities.

Solution

National Startup Support Agencies:

Agency	Department	Primary Focus
Startup India	DPIIT	Policy framework and ecosystem
BIRAC	Biotechnology	Biotech innovation
TDB	Science & Tech	Technology development
SIDBI	Financial Services	MSME and startup funding

Detailed Functionalities:

Startup India:

- **Policy formulation:** National startup policy framework
- **Recognition program:** Official startup certification
- **Tax benefits:** 3-year tax exemption for eligible startups
- **Regulatory support:** Single-point clearance system
- **Funding facilitation:** Fund of Funds scheme (10,000 crores)

BIRAC (Biotechnology Industry Research Assistance Council):

- **Biotech innovation:** Supporting biotech startups and research
- **Funding schemes:** SBIRI, SPARSH, BIG programs
- **Industry partnerships:** Academia-industry collaboration
- **Technology translation:** Research to market conversion

TDB (Technology Development Board):

- **Technology commercialization:** Converting research to products
- **Financial assistance:** Loans and grants for technology development
- **Industry support:** Manufacturing technology assistance
- **Innovation promotion:** Supporting technological innovation

SIDBI (Small Industries Development Bank of India):

- **Financial support:** Loans and credit facilities
- **MSME focus:** Small and medium enterprise development
- **Startup funding:** Venture capital and growth capital
- **Ecosystem development:** Incubator and accelerator support

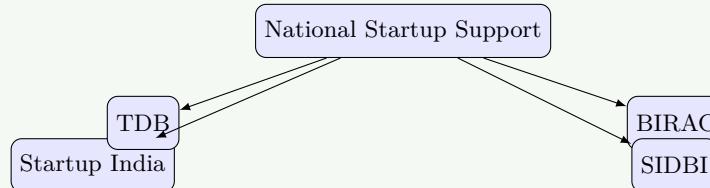


Figure 8. National Agencies

Additional Agencies:

- **NSTEDB:** National Science & Technology Entrepreneurship Development Board
- **MSME:** Ministry of Micro, Small and Medium Enterprises
- **Atal Innovation Mission:** Innovation and entrepreneurship promotion

Success Metrics:

- **Startup registrations:** Over 70,000 recognized startups
- **Job creation:** Millions of employment opportunities
- **Funding facilitated:** Billions in investment mobilization
- **Ecosystem development:** Thousands of incubators and accelerators

Mnemonic

“Startup BIRAC TDB SIDBI = National Support System”

Question 5(a) [3 marks]

Explain following terms: 1.Break Even point 2.Return on Investment 3.Return on Sales.

Solution

Table 11. Financial Terms

Term	Formula	Meaning
Break Even Point	Fixed Costs / (Price - Var Cost)	Units to cover all costs
ROI	(Gain-Cost) / Cost * 100	Return on invested capital
ROS	Net Income / Sales * 100	Profit margin percentage

Break Even Analysis:

- **Fixed costs:** Rent, salaries, insurance
- **Variable costs:** Raw materials, utilities per unit
- **Contribution margin:** Price minus variable cost per unit

ROI Importance:

- **Investment efficiency:** Measures investment performance
- **Comparison tool:** Compare different investment options
- **Decision making:** Guide future investment decisions

ROS Significance:

- **Profitability measure:** Shows operational efficiency
- **Industry comparison:** Benchmark against competitors
- **Trend analysis:** Track performance over time

Mnemonic

“”Break Even Returns On Investment Sales””

Question 5(b) [4 marks]

Write a short note on Import-Export Policy

Solution

India's Import-Export Policy (EXIM Policy):

- **Objectives:** Trade promotion, Export growth, Economic development.
- **Export Promotion:** Incentives, SEZs, Financing.
- **Import Management:** Licensing, Duty structure, Quality standards.
- **Trade Facilitation:** Digital platforms, Single window, Agreements.
- **Current Focus:** Make in India, Digital India, Atmanirbhar Bharat.

Mnemonic

“”Export Import Policy Promotes Trade Facilitation””

Question 5(c) [7 marks]

Describe the connection between CSR and Economic Performance.

Solution

Direct Economic Benefits:

Table 12. Direct Benefits

CSR Activity	Economic Impact	Measurement
Employee welfare	Higher productivity, lower turnover	Cost savings, efficiency gains
Environmental initiatives	Resource efficiency, waste reduction	Cost reduction, sustainability
Community development	Market expansion, brand loyalty	Revenue growth, customer retention

Indirect Economic Benefits:

Brand Value Enhancement:

- **Customer loyalty:** Increased repeat purchases and referrals
- **Premium pricing:** Ability to charge higher prices for ethical products
- **Market differentiation:** Competitive advantage in conscious markets

Risk Management:

- **Regulatory compliance:** Avoiding penalties and legal costs
- **Reputation protection:** Preventing brand damage from social issues
- **Stakeholder relations:** Building trust with investors and partners

Long-term Economic Performance:

Sustainable Growth:

- **Innovation driver:** CSR initiatives often lead to innovative solutions
- **Market access:** Meeting ESG criteria for international markets
- **Investment attraction:** ESG-focused investors prefer responsible companies

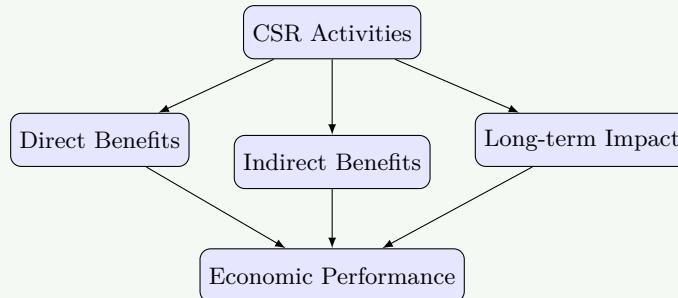


Figure 9. CSR and Economic Performance

Research Evidence:

- **Performance correlation:** Studies show positive correlation between CSR and financial performance
- **Investor preference:** ESG-compliant companies attract more investment
- **Market valuation:** Responsible companies often have higher market valuations

CSR-Economic Performance Cycle:

- Investment in CSR → Operational improvements → Financial performance → More CSR investment

Implementation Strategy:

- **Strategic alignment:** Align CSR with business objectives
- **Measurement systems:** Track both social and economic impacts
- **Stakeholder engagement:** Involve all stakeholders in CSR planning
- **Continuous improvement:** Regular review and enhancement of CSR programs

Challenges:

- **Short-term costs:** Initial investment may impact immediate profits
- **Measurement difficulty:** Quantifying social impact can be complex
- **Stakeholder expectations:** Balancing different stakeholder demands

Success Factors:

- **Leadership commitment:** Top management support for CSR initiatives
- **Integration:** Embedding CSR into business strategy and operations
- **Transparency:** Regular reporting and communication of CSR impact
- **Innovation:** Using CSR as a driver for business innovation

Mnemonic

“CSR Creates Sustainable Returns”

Question 5(a) OR [3 marks]

Write a note on Bankruptcy and Avoidance.

Solution

Bankruptcy: Legal process (Asset liquidation or reorganization) when a business cannot meet obligations.

Avoidance Strategies:

- **Cash flow management:** Maintain working capital
- **Debt restructuring:** Negotiate payment terms
- **Cost reduction:** Improve efficiency

Mnemonic

“Bankrupt Businesses Avoid Through Cash Control”

Question 5(b) OR [4 marks]

Write an importance of Business Ethics.

Solution

Importance of Business Ethics:

- **Stakeholder Trust:** Customer confidence, Investor faith, Employee satisfaction.
- **Legal Compliance:** Avoiding penalties, Risk mitigation, Reputation protection.
- **Competitive Advantage:** Market differentiation, Premium positioning, Sustainable growth.
- **Social Impact:** Community development, Environmental responsibility.

Mnemonic

“Ethics Builds Trust, Compliance, Advantage, Social Impact”

Question 5(c) OR [7 marks]

Give the steps and format of project report writing

Solution

Project Report Writing Steps:

Pre-Writing Phase:

1. **Project planning:** Define scope, objectives, and deliverables
2. **Data collection:** Gather relevant information and research
3. **Analysis:** Process and analyze collected data
4. **Structure planning:** Organize content logically

Writing Phase:

5. **Draft preparation:** Write initial version following format
6. **Content development:** Elaborate each section with details
7. **Review and revision:** Check for accuracy and completeness
8. **Final formatting:** Apply consistent formatting and style

Project Report Format:

1. TITLE PAGE	Project title, Author name(s), Institution, Date
2. EXECUTIVE SUMMARY	Overview, Findings, Outcomes
3. TABLE OF CONTENTS	Headings, Page numbers, Figures list
4. INTRODUCTION	Background, Problem statement, Objectives
5. LITERATURE REVIEW	Existing research, Gap analysis
6. METHODOLOGY	Approach, Data collection, Analysis
7. ANALYSIS AND FINDINGS	Data presentation, Results, Insights
8. RECOMMENDATIONS	Suggestions, Implementation, Benefits
9. CONCLUSION	Summary, Achievements, Future scope
10. REFERENCES	Bibliography, Sources, Appendices

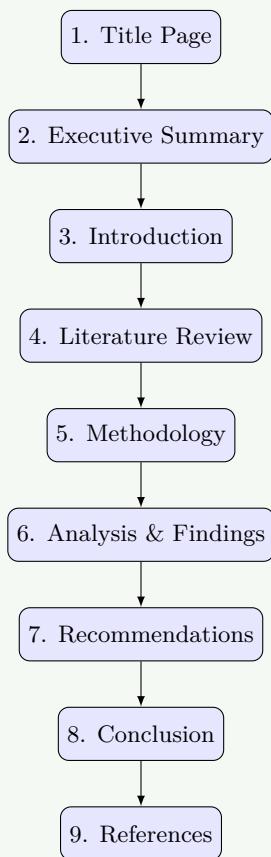


Figure 10. Report Structure

Writing Guidelines:

Content Quality:

- **Clarity:** Use simple, clear language
- **Accuracy:** Ensure factual correctness
- **Relevance:** Include only pertinent information
- **Logical flow:** Maintain coherent structure

Formatting Standards:

- **Font:** Times New Roman 12pt or Arial 11pt
- **Spacing:** 1.5 line spacing
- **Margins:** 1 inch on all sides
- **Page numbering:** Consistent throughout

Visual Elements:

- **Tables:** For data presentation

- **Charts/Graphs:** For trend analysis
- **Diagrams:** For process illustration
- **Images:** For concept clarification

Quality Checklist:

- **Completeness:** All required sections included
- **Consistency:** Uniform formatting throughout
- **Accuracy:** Facts and figures verified
- **Relevance:** Content aligned with objectives

Common Mistakes to Avoid:

- **Plagiarism:** Always cite sources properly
- **Poor structure:** Maintain logical flow
- **Inconsistent formatting:** Follow standard guidelines
- **Inadequate analysis:** Provide sufficient depth

Review Process:

1. **Self-review:** Author checks for errors and completeness
2. **Peer review:** Colleague feedback on content and clarity
3. **Expert review:** Subject matter expert validation
4. **Final proofreading:** Grammar and formatting check

Mnemonic

“”Title Executive Introduction Literature Methodology Analysis Recommendations Conclusion References””

