

EEB-2023-May-PYQ Answers

Q1. [5 Marks]

- a. List different methods of acquisition.
- b. Write about Scientific management. Explain Taylor's four principles of scientific management.
- c. Compare Manager vs Entrepreneur.

Q2. [10 Marks]

- a. Write a detailed report on factors to be considered when starting a new business

Q3. [10 Marks]

- a. List different factors that can result in failure of a new venture.

Q4. [10 Marks]

- a. Explain with example the following statement: *E-commerce can result in globalization of business activity.*

Q5. [10 Marks]

- a. Define ERP. List the different features an ERP should have for educational institute software.
- b. Discuss the core and extended components of ERP system.

Q6. [10 Marks]

- a. Enlist and explain the different sources of Finance for enterprises.

Q1. [5 Marks] - Answers

a. List different methods of acquisition.

Methods of Acquisition

Acquisition refers to one company taking control of another. The main methods include:

1. Asset Purchase

- Buyer acquires specific assets (e.g., equipment, patents) of the target company.
- Liabilities are usually excluded.

2. Share Purchase

- Buyer purchases majority or all shares of the target company.
- Full control and ownership are transferred.

3. Merger by Absorption

- Target company is absorbed into the acquiring company.
- Only the acquiring company survives legally.

4. Management Buyout (MBO)

- Existing managers purchase the company's assets or shares to gain control.

5. Tender Offer

- Buyer offers to purchase shares directly from shareholders at a premium price.

b. Write about Scientific management. Explain Taylor's four principles of scientific management.

Scientific Management

Scientific Management is a theory developed by **Frederick Winslow Taylor** in the early 20th century. It focuses on improving economic efficiency and labor productivity through systematic study and analysis of work processes. Taylor believed that applying scientific methods to management could eliminate inefficiencies and boost output.

Taylor's Four Principles of Scientific Management

1. Science, Not Rule of Thumb

- Replace traditional guesswork with scientific methods.
- Use observation, measurement, and analysis to determine the best way to perform tasks.

2. Harmony, Not Discord

- Promote cooperation between workers and management.
- Build trust and avoid conflicts to improve morale and productivity.

3. Maximum Output, Not Restricted Output

- Encourage workers to perform at their best capacity.
- Incentivize efficiency and reward high performance.

4. Development of Workers

- Train and develop workers scientifically for specific tasks.
- Match jobs to skills and provide continuous learning opportunities.

c. Compare Manager vs Entrepreneur.

Basis of Comparison	Manager	Entrepreneur
Role	Oversees and controls business operations.	Starts and builds a new business venture.
Focus	Efficiency, stability, and goal achievement.	Innovation, growth, and opportunity creation.
Risk	Works with calculated risks.	Takes personal and financial risks.
Decision-Making	Follows established policies and procedures.	Makes independent and strategic decisions.
Ownership	Employee of the organization.	Owner or founder of the business.

Q2. [10 Marks] - Answers

a. Write a detailed report on factors to be considered when starting a new business

Business Report: Key Factors to Consider When Starting a New Business

Starting a new business requires careful planning, strategic thinking, and risk assessment. Entrepreneurs must evaluate multiple factors to ensure long-term sustainability and growth.

1. Business Idea and Market Demand

- Choose a product or service that solves a real problem or fulfills a market need.
- Conduct market research to validate demand, target audience, and competition.

2. Legal Structure and Registration

- Decide the business form: sole proprietorship, partnership, LLP, or private limited company.

- Register the business and obtain necessary licenses (GST, PAN, trade license).

3. Financial Planning

- Estimate startup costs, working capital, and break-even point.
- Explore funding options: personal savings, bank loans, angel investors, or government schemes.

4. Location and Infrastructure

- Select a location based on customer accessibility, cost, and logistics.
- Set up office, store, or manufacturing unit with required facilities.

5. Skills and Team

- Assess personal strengths and hire skilled professionals for operations, marketing, and finance.
- Build a team culture focused on innovation and accountability.

6. Business Model and Revenue Strategy

- Define how the business will generate income (e.g., product sales, subscriptions, services).
- Set pricing, distribution, and customer acquisition strategies.

7. Marketing and Branding

- Develop a brand identity: logo, tagline, and value proposition.
- Use digital marketing, social media, and offline channels to reach customers.

8. Technology and Tools

- Implement software for accounting, inventory, CRM, and communication.
- Use e-commerce platforms or ERP systems for scalability.

9. Legal Compliance and Risk Management

- Ensure compliance with labor laws, tax regulations, and environmental norms.
- Identify risks (financial, operational, legal) and create mitigation plans.

10. Scalability and Growth Plan

- Set short-term and long-term goals for expansion.
- Monitor performance using KPIs and adapt strategies based on feedback.

Q3. [10 Marks] - Answers

a. List different factors that can result in failure of a new venture.

Factors That Can Result in Failure of a New Venture

Starting a business involves risk, and many ventures fail due to avoidable mistakes. Understanding these factors helps entrepreneurs plan better and avoid common pitfalls.

1. Lack of Market Research

- Misjudging customer needs, demand, or competition.
- Launching products without validating market fit.

2. Insufficient Capital

- Running out of funds due to poor budgeting or unexpected expenses.
- Inability to secure loans or investor support.

3. Poor Business Planning

- Vague goals, weak strategies, and no clear roadmap.
- Ignoring SWOT analysis and feasibility studies.

4. Weak Marketing and Branding

- Failure to reach target customers or build brand awareness.
- Ineffective use of digital and offline channels.

5. Inexperienced Management

- Lack of leadership, decision-making skills, or industry knowledge.
- Poor team coordination and delegation.

6. Ignoring Customer Feedback

- Not adapting products or services based on user input.
- Low customer satisfaction and retention.

Q4. [10 Marks] - Answers

a. Explain with example the following statement: *E-commerce can result in globalization of business activity.*

Explanation:

E-commerce enables businesses to reach customers across the globe through digital platforms. Unlike traditional brick-and-mortar stores that are limited by geography, e-commerce allows even small businesses to operate internationally.

This leads to the **globalization of business activity**, where products, services, and ideas move freely across borders.

How E-Commerce Drives Globalization:

- **Wider Market Reach:** Businesses can sell to customers in different countries without physical presence.
- **24/7 Availability:** Online stores operate round-the-clock, catering to various time zones.
- **Digital Marketing:** Social media and search engines help target global audiences.
- **Cross-Border Payments:** Secure online payment systems (PayPal, Stripe, UPI, etc.) make international transactions seamless.
- **Global Logistics:** Partnerships with courier services enable worldwide shipping and delivery.

Example:

Alibaba, a Chinese e-commerce giant, connects manufacturers in China with buyers from over 190 countries. A small business in India can source products from Alibaba and sell them on platforms like Amazon or Shopify to customers in the US, UK, or Europe—without ever leaving their home country.

Q5. [10 Marks] - Answers

a. Define ERP. List the different features an ERP should have for educational institute software.

ERP for Educational Institutes

Definition:

Enterprise Resource Planning (ERP) is a centralized software solution that streamlines and integrates various functions of an organization. In the context of education, ERP helps schools, colleges, and universities manage operations like admissions, academics, finance, HR, and communication efficiently.

Key Features of ERP for Educational Institutes

1. Student Information Management

- Stores and tracks student profiles, academic records, and progress reports.

2. Admission and Enrollment

- Automates application processing, document verification, and seat allocation.

3. Fee Management

- Tracks fee payments, dues, refunds, and generates receipts.

4. Attendance Tracking

- Monitors student and staff attendance with biometric or manual inputs.

5. Examination and Grading

- Manages exam schedules, grading systems, and result publication.

6. Timetable and Scheduling

- Creates and updates class schedules, room allocations, and faculty assignments.

7. Library Management

- Tracks book inventory, issue/return records, and overdue fines.

8. HR and Payroll

- Manages staff recruitment, payroll processing, leave, and performance.

9. Inventory and Asset Management

- Tracks physical assets like lab equipment, furniture, and IT resources.

b. Discuss the core and extended components of ERP system.

ERP System Components

An **ERP (Enterprise Resource Planning)** system integrates various business functions into a unified platform. It consists of **core components** essential for daily operations and **extended components** that enhance strategic capabilities.

Core Components of ERP

These are the foundational modules used across most organizations:

Component	Description
Finance & Accounting	Manages budgets, ledgers, payments, and financial reporting.
Human Resource (HR)	Handles employee records, payroll, recruitment, and performance management.
Inventory Management	Tracks stock levels, movements, and reorder points.
Procurement	Manages purchasing, vendor selection, and order processing.
Sales & Marketing	Supports customer orders, quotations, and campaign tracking.
Production/Manufacturing	Plans and monitors production schedules, resources, and quality control.

Extended Components of ERP

These modules support advanced business functions and strategic growth:

Component	Description
Customer Relationship Management (CRM)	Manages customer interactions, sales leads, and service requests.
Supply Chain Management (SCM)	Optimizes logistics, supplier coordination, and distribution.
Business Intelligence (BI)	Provides analytics, dashboards, and decision-making tools.
E-Commerce Integration	Connects ERP with online sales platforms for order and inventory sync.
Project Management	Tracks timelines, resources, and budgets for business projects.
Mobile Access & Cloud Support	Enables remote access and scalability via cloud infrastructure.

Q6. [10 Marks] - Answers

a. Enlist and explain the different sources of Finance for enterprises.

Sources of Finance for Enterprises

Enterprises require finance for various purposes such as starting operations, expanding, purchasing assets, or managing day-to-day expenses. These sources can be broadly classified into **internal** and **external** sources, and based on **duration** (short, medium, or long-term).

1. Equity Capital

- Funds raised by issuing shares to investors or the public.
- No repayment obligation, but shareholders get ownership and dividends.
- Suitable for long-term financing.

2. Debt Capital (Loans)

- Borrowed funds from banks, financial institutions, or private lenders.
- Requires repayment with interest over a fixed period.
- Includes term loans, working capital loans, and overdrafts.

3. Venture Capital

- Investment from venture capitalists in high-growth startups.
- Involves equity sharing and strategic mentorship.

4. Angel Investment

- Early-stage funding from individual investors (angels).
- Less formal than venture capital, often includes mentorship.

5. Government Grants and Subsidies

- Financial support from government schemes (e.g., Startup India, MSME loans).
- Often non-repayable or offered at concessional terms.

6. Crowdfunding

- Raising small amounts of money from a large number of people via online platforms.
- Popular for creative projects, startups, and social enterprises.