

EEB-2024-December-PYQ Answers

Q1. [5 Marks]

- a. Compare Acquisition and Merger. Also provide relevant example.

Q2. [10 Marks]

- a. Explain the advantages of SWOT (Strength, Weakness, Opportunity, Threat) analysis to prepare a business plan for starting a new business.

Q4. [10 Marks]

- a. Explain the evolution of ERP. List different features of ERP.
- b. Advancement in technology has increased the types of business activities.
Comment on this statement and justify your answer.

Q5. [10 Marks]

- a. Explain how E-governance helps as an efficient tool for improving Entrepreneurship.

Q6. [10 Marks]

- a. List and explain the different tenures of financing available for entrepreneurs.

Q1. [5 Marks] - Answers

- a. Compare Acquisition and Merger. Also provide relevant example.**

Basis of Comparison	Acquisition	Merger
Definition	One company takes over another completely.	Two companies combine to form a new entity.
Control	Acquiring company gains full control.	Control is shared or restructured jointly.
Identity	Acquired company may lose its identity.	Both companies may lose their original identities.
Process	Often hostile or uninvited.	Usually mutual and cooperative.
Size of Companies	One is usually larger than the other.	Both are often similar in size and strength.
Legal Structure	Only the acquiring company survives.	A new legal entity is formed.
Example	Facebook acquiring Instagram (2012)	Vodafone and Idea merging to form Vi (2018)

Q2. [10 Marks] - Answers

a. Explain the advantages of SWOT (Strength, Weakness, Opportunity, Threat) analysis to prepare a business plan for starting a new business.

SWOT Analysis: A Strategic Tool for Business Planning

SWOT Analysis is a strategic planning technique used to identify a business's internal strengths and weaknesses, along with external opportunities and threats. It helps entrepreneurs make informed decisions when starting a new venture.

Advantages of SWOT Analysis in Preparing a Business Plan

1. Clarifies Business Position

- Helps assess where the business stands in terms of resources, capabilities, and market readiness.

2. Identifies Strengths

- Highlights competitive advantages such as skilled workforce, unique products, or strong brand value.
- Enables leveraging strengths to attract investors and customers.

3. Reveals Weaknesses

- Points out internal limitations like lack of capital, poor infrastructure, or skill gaps.
- Encourages proactive measures to overcome or minimize weaknesses.

4. Spotlights Opportunities

- Detects favorable market trends, customer needs, or technological advancements.
- Guides expansion strategies and product development.

5. Anticipates Threats

- Identifies external risks like competition, regulatory changes, or economic downturns.
- Helps in risk mitigation and contingency planning.

6. Supports Strategic Decision-Making

- Provides a balanced view of internal and external factors.
- Assists in setting realistic goals and choosing the right business model.

7. Improves Resource Allocation

- Ensures time, money, and effort are invested in areas with the highest potential.

8. Enhances Investor Confidence

- A well-documented SWOT analysis shows preparedness and strategic thinking.
- Builds trust among stakeholders and funding agencies.

Q4. [10 Marks] - Answers

a. Explain the evolution of ERP. List different features of ERP.

Evolution of ERP

1. 1960s – Inventory Control

- Basic systems for tracking stock.

2. 1970s – MRP (Material Requirements Planning)

- Focused on raw material planning and production schedules.

3. 1980s – MRP II

- Included broader manufacturing functions like capacity and quality control.

4. 1990s – ERP Emerges

- Integrated all business functions into one system.

5. 2000s–Present – Cloud & AI ERP

- Web-based, mobile-friendly, and powered by AI and analytics.

Key Features of ERP

- **Integration:** Combines finance, HR, inventory, etc.

- **Real-Time Data:** Instant access across departments.
- **Automation:** Reduces manual tasks and errors.
- **Centralized Database:** Ensures consistency and accuracy.
- **Scalability:** Grows with business needs.
- **Security:** Role-based access and data protection.

b. Advancement in technology has increased the types of business activities. Comment on this statement and justify your answer.

Comment and Justification

Technological advancement has revolutionized the way businesses operate, leading to the emergence of new business models, markets, and operational methods. It has expanded the scope and scale of business activities across industries.

Justification

1. Rise of E-Commerce and Online Services

- Businesses now sell products and services online through websites, apps, and marketplaces.
- Example: Amazon, Zomato, Flipkart.

2. Digital Marketing and Social Media Promotion

- Companies use platforms like Instagram, YouTube, and Google Ads to reach global audiences.
- Influencer marketing and content creation are new business avenues.

3. Remote Work and Virtual Collaboration

- Technology enables businesses to operate with distributed teams using tools like Zoom, Slack, and cloud platforms.
- Freelancing and gig economy have grown rapidly.

4. Fintech and Digital Payments

- Mobile wallets, UPI, and online banking have transformed financial transactions.
- New business models like peer-to-peer lending and crypto trading have emerged.

5. AI, Automation, and Data Analytics

- Businesses use AI for customer service (chatbots), predictive analytics, and process automation.
- Example: AI-driven resume screening, inventory forecasting.

6. Online Education and EdTech

- Platforms like Coursera, BYJU'S, and Udemy offer learning as a business service.
- Tutors and educators monetize digital content.

Q5. [10 Marks] - Answers

a. Explain how E-governance helps as an efficient tool for improving Entrepreneurship.

E-Governance as a Tool for Promoting Entrepreneurship

E-Governance refers to the use of digital platforms and technologies by the government to deliver services, share information, and interact with citizens and businesses. It plays a vital role in creating a transparent, efficient, and supportive environment for entrepreneurs.

How E-Governance Improves Entrepreneurship

1. Simplified Business Registration

- Online portals like *Startup India*, and *GSTN* allow easy registration of companies, startups, and tax IDs.
- Reduces paperwork and speeds up approvals.

2. Access to Government Schemes

- Entrepreneurs can apply for subsidies, grants, and funding through digital platforms.
- Examples: *MSME Udyam Portal*, *Stand-Up India*, *Digital India* initiatives.

3. Transparency and Accountability

- E-Governance reduces corruption and middlemen by automating approvals and tracking applications.
- Entrepreneurs can monitor the status of licenses, tenders, and payments.

4. Digital Payments and Banking

- UPI, Aadhaar-enabled payments, and e-wallets support cashless transactions and financial inclusion.
- Helps small businesses manage finances efficiently.

5. E-Tendering and Procurement

- Entrepreneurs can bid for government contracts through portals like GeM (*Government e-Marketplace*).
- Promotes fair competition and access to public sector opportunities.

6. Skill Development and Training

- Online platforms offer free courses, certifications, and mentorship for aspiring entrepreneurs.
- Example: *Skill India, PMKVY, Startup India Learning Program*.

Q6. [10 Marks] - Answers

a. List and explain the different tenures of financing available for entrepreneurs.

Tenures of Financing for Entrepreneurs

Financing tenures refer to the duration for which funds are borrowed or invested in a business. Entrepreneurs choose based on their needs—whether for short-term operations or long-term growth.

1. Short-Term Finance (Up to 1 Year)

Used for day-to-day operations and working capital needs.

- **Examples:** Bank overdrafts, trade credit, short-term loans, credit cards.
- **Purpose:** Inventory purchase, salary payments, utility bills.

2. Medium-Term Finance (1 to 5 Years)

Supports expansion, equipment purchase, or marketing campaigns.

- **Examples:** Term loans, hire purchase, leasing, debentures.

- **Purpose:** Buying machinery, upgrading technology, launching new products.

3. Long-Term Finance (More than 5 Years)

Used for major investments and infrastructure development.

- **Examples:** Equity capital, long-term loans, venture capital, bonds.
- **Purpose:** Building factories, acquiring land, scaling operations.