EEB-2024-May-PYQ Answers

Q1. [5 Marks]

a. How does an entrepreneur encourage the economic development of a country?
b. List the different types of e-business models.
c. Define a Woman Entrepreneur and state the steps the government should take to encourage women entrepreneurs.
d. Explain the need for motivation of employees.
e. Explain the term acquisition/merger.

Q2. [10 Marks]

a. List the examples of Financial and Non-Financial methods of motivation for employees.
b. Write a detailed business report on starting a new Supply Chain Management business using SWOT (Strength, Weakness, Opportunity, Threat) analysis.

Q3. [10 Marks]

a. Explain briefly the different modules of ERP.
b. Enlist the salient features of a good Marketing Plan.

Q4. [10 Marks]

a. Explain the steps to set up an e-commerce portal for selling Retail Products.
b. Compare Online and Brick and Mortar methods of Sales.

Q5. [10 Marks]

a. List and explain the different sources of Medium-term Finance.

b. Explain procurement and E-Procurement. Also describe the components of e-Procurement.

Q6. [10 Marks]

a. Define E-commerce and explain different types of E-commerce.

b. Explain Supply Chain Management (SCM) and enlist its characteristics.

Q1. [5 Marks] - Answers

a. How does an entrepreneur encourage the economic development of a country?

How Entrepreneurs Encourage Economic Development

Entrepreneurs play a vital role in boosting a country's economy through innovation, job creation, and productivity. Their contributions include:

Key Points

1. **Employment Generation**
   - Startups and businesses create jobs for skilled and unskilled workers.
2. **Innovation and Technology Advancement**
   - Entrepreneurs introduce new products, services, and business models that improve efficiency.
3. **Capital Formation**
   - By attracting investments, they increase the flow of money into the economy.
4. **Improved Standard of Living**
   - Their ventures offer better goods and services, enhancing consumer lifestyles.

5. **Regional Development**
    - Entrepreneurs often set up industries in underdeveloped areas, reducing regional imbalances.

b. List the different types of e-business models.

Types of E-Business Models

E-business models define how companies conduct business online. The major types include:

1. **Business-to-Business (B2B)**

- Online transactions between companies.
- Example: A wholesaler selling bulk goods to a retailer via an online portal.

2. **Business-to-Consumer (B2C)**

- Businesses sell products/services directly to consumers.
- Example: Amazon, Flipkart.

3. **Consumer-to-Consumer (C2C)**

- Individuals sell to other individuals using third-party platforms.
- Example: OLX, eBay.

4. **Consumer-to-Business (C2B)**

- Individuals offer products or services to businesses.
- Example: Freelancers offering services on platforms like Fiverr.

5. **Business-to-Administration (B2A)**

- Businesses provide services to government bodies.
- Example: IT firms offering e-governance solutions.

c. Define a Woman Entrepreneur and state the steps the government should take to encourage women entrepreneurs.

Woman Entrepreneur

A **woman entrepreneur** is a female who initiates, organizes, and manages a business venture. She takes financial risks and uses her skills, creativity, and leadership to build and grow an enterprise. Woman entrepreneurs contribute significantly to economic development, job creation, and social empowerment.

Steps Government Should Take to Encourage Women Entrepreneurs:

1. **Financial Support and Subsidies**
    - Provide low-interest loans, grants, and startup capital through schemes like *Stand-Up India* and *Mudra Yojana*.
2. **Skill Development and Training**
    - Organize workshops, vocational training, and digital literacy programs to enhance entrepreneurial skills.
3. **Mentorship and Networking Platforms**
    - Create forums and incubators for women to connect with mentors, investors, and successful entrepreneurs.
4. **Simplified Legal and Regulatory Framework**
    - Ease business registration, licensing, and compliance procedures for women-led startups.
5. **Marketing and Export Assistance**

- Support women entrepreneurs in branding, digital marketing, and accessing global markets.

d. Explain the need for motivation of employees.

Need for Motivation of Employees

Motivation is essential for enhancing employee performance, satisfaction, and organizational success. It drives individuals to work efficiently and align their efforts with company goals.

Key Points

1. **Improves Productivity**
    - Motivated employees work with focus and energy, leading to higher output and better results.
2. **Enhances Job Satisfaction**
    - When employees feel valued and rewarded, they experience greater satisfaction and commitment.
3. **Reduces Employee Turnover**
    - Motivation helps retain talent by creating a positive work environment and growth opportunities.
4. **Encourages Innovation and Initiative**
    - Motivated staff are more likely to contribute ideas and take ownership of tasks.
5. **Achieves Organizational Goals**
    - Motivation aligns individual efforts with company objectives, ensuring smooth and goal-oriented operations.

e. Explain the term acquisition/merger.

Acquisition

- An acquisition occurs when one company **buys** another company and gains control over its operations, assets, and liabilities.
- The acquired company may continue to operate independently or be absorbed into the acquiring company.
- **Example**: Facebook acquiring Instagram.

Merger

- A merger is when two companies **combine** to form a new entity.
- It is usually done to achieve synergy, expand market share, or reduce competition.
- Both companies may dissolve and create a new organization.
- **Example**: Vodafone and Idea merging to form Vodafone Idea Ltd.

Q2. [10 Marks] - Answers

a. List the examples of Financial and Non-Financial methods of motivation for employees.

Methods of Employee Motivation

Motivation is essential for improving employee performance, satisfaction, and retention. It can be classified into **Financial** and **Non-Financial** methods.

Financial Methods of Motivation

These involve **monetary rewards** that directly impact an employee's income.

Examples:

- **Bonuses**: Extra payment for achieving targets or exceptional performance.
- **Incentives**: Commission or performance-based pay to boost productivity.
- **Profit Sharing**: Employees receive a share of company profits.
- **Stock Options**: Offering company shares to employees as part of compensation.
- **Allowances**: Travel, housing, or medical allowances to support employee needs.

Non-Financial Methods of Motivation

These focus on **psychological, emotional, and career-related factors** that enhance job satisfaction.

Examples:

- **Recognition and Praise**: Verbal appreciation or awards for good work.
- **Work-Life Balance**: Flexible working hours, remote work options, and wellness programs.
- **Empowerment**: Giving employees autonomy and decision-making authority.
- **Positive Work Environment**: Supportive culture, teamwork, and open communication.
- **Employee Involvement**: Including staff in planning and decision-making processes.

b. Write a detailed business report on starting a new Supply Chain Management business using SWOT (Strength, Weakness, Opportunity, Threat) analysis.

Business Report: Launching a Supply Chain Management Business

Business Overview

The proposed venture is a Supply Chain Management company offering end-to-end logistics, inventory control, procurement, and distribution services. The goal is to help manufacturers, retailers, and e-commerce platforms optimize their supply chains using technology-driven solutions.

SWOT Analysis

Strengths

- **Industry Expertise**: Founders with strong knowledge of logistics, procurement, and warehouse operations.
- **Technology Integration**: Use of ERP systems, GPS tracking, and data analytics for real-time visibility.
- **Customized Solutions**: Tailored services for different sectors like FMCG, pharma, and e-commerce.

Weaknesses

- **High Initial Investment**: Requires capital for infrastructure, software, and skilled manpower.
- **Limited Brand Recognition**: As a new entrant, building trust and credibility will take time.
- **Dependency on External Vendors**: Reliance on third-party transporters or suppliers may affect service quality.
- **Complex Operations**: Managing multi-location logistics and compliance can be challenging.

Opportunities

- **Growing E-commerce Sector**: Rising demand for fast and reliable delivery services.

- **Digital Transformation**: Businesses are shifting to automated and data-driven supply chains.
- **Global Expansion**: Potential to serve international clients through cross-border logistics.

Threats

- **Intense Competition**: Established players like DHL, Blue Dart, and Delhivery dominate the market.
- **Fuel Price Fluctuations**: Rising transportation costs can affect profitability.
- **Regulatory Challenges**: Compliance with GST, customs, and transport laws requires constant monitoring.
- **Supply Chain Disruptions**: Events like pandemics or geopolitical tensions can impact operations.

Q3. [10 Marks] - Answers

a. Explain briefly the different modules of ERP.

Key Modules of ERP

Here's a structured overview of the most common ERP modules used in businesses:

1. **Finance and Accounting Module**

- Manages accounts payable/receivable, general ledger, budgeting, and financial reporting.
- Helps track income, expenses, and profitability.

2. **Human Resource Management (HRM) Module**

- Handles employee records, payroll, recruitment, performance reviews, and training.
- Supports workforce planning and compliance.

3. **Inventory Management Module**

- Tracks stock levels, warehouse operations, and product movement.
- Ensures optimal inventory control and reduces waste.

4. **Sales and Marketing Module**

- Manages customer orders, quotations, pricing, and promotions.
- Supports lead generation, campaign tracking, and customer engagement.

5. **Procurement/Purchasing Module**

- Oversees supplier management, purchase orders, and vendor contracts.
- Streamlines sourcing and cost control.

6. **Customer Relationship Management (CRM) Module**

- Maintains customer data, interactions, and service history.
- Enhances customer satisfaction and loyalty.

7. **Supply Chain Management (SCM) Module**

- Coordinates logistics, distribution, and supplier networks.
- Improves delivery timelines and reduces operational costs.

8. **Production/Manufacturing Module**

- Plans and monitors production schedules, work orders, and resource allocation.
- Ensures efficient manufacturing processes.

9. **Project Management Module**

- Tracks project timelines, budgets, resources, and milestones.
- Useful for service-based and construction industries.

10. **Business Intelligence (BI) Module**

- Provides dashboards, analytics, and reporting tools.
- Helps in strategic decision-making using real-time data

b. Enlist the salient features of a good Marketing Plan.

Salient Features of a Good Marketing Plan

A marketing plan outlines strategies to promote products or services effectively. A well-crafted plan ensures alignment with business goals and market needs.

Key Features

1. **Clear Marketing Objectives**
    - Defines specific, measurable goals such as increasing sales, brand awareness, or market share.
2. **Target Market Identification**
    - Analyzes customer segments based on demographics, behavior, and preferences.
3. **Competitive Analysis**

- Studies competitors’ strengths, weaknesses, pricing, and positioning to find market gaps.

4. **Marketing Mix (4Ps Strategy)**
   - Covers Product, Price, Place, and Promotion strategies tailored to the target audience.
5. **Budget Allocation**
   - Specifies the financial resources assigned to each marketing activity.
6. **Promotional Strategies**
   - Includes advertising, sales promotions, digital marketing, and public relations plans.
7. **Implementation Timeline**
   - Provides a schedule for executing campaigns and tracking milestones.

Q4. [10 Marks] - Answers

a. Explain the steps to set up an e-commerce portal for selling Retail Products.

Steps to Set Up an E-Commerce Portal for Retail Products

Setting up an e-commerce portal involves planning, technology integration, and marketing to ensure smooth online operations and customer satisfaction.

1. Business Planning

- Define product categories, target audience, pricing strategy, and delivery model.
- Decide whether to sell own products, third-party items, or both.

2. Legal and Regulatory Setup

- Register the business (e.g., sole proprietorship, LLP, or Pvt Ltd).
- Obtain GST registration, PAN, and other licenses.
- Comply with e-commerce regulations and consumer protection laws.

3. Domain and Hosting

- Choose a brand name and register a domain (e.g., www.shopname.com).
- Select reliable hosting with high uptime and security features.

4. Platform Selection

- Use platforms like Shopify, WooCommerce, Magento, or build a custom site.
- Ensure mobile responsiveness and scalability.

5. Website Design and Development

- Create user-friendly UI/UX with clear navigation, product filters, and search bar.
- Include essential pages: Home, Shop, Product Details, Cart, Checkout, Contact Us.

6. Product Catalog Management

- Upload product images, descriptions, prices, and stock levels.
- Use categories and tags for easy browsing.

7. Payment Gateway Integration

- Integrate secure payment options like Razorpay, Paytm, Stripe, or UPI.
- Enable multiple payment modes: credit/debit cards, wallets, net banking.

8. Logistics and Delivery Setup

- Partner with courier services (e.g., Delhivery, Blue Dart).
- Set delivery zones, shipping charges, and return policies.

9. Marketing and Promotion

- Use SEO, social media, email marketing, and paid ads to attract customers.
- Offer discounts, referral programs, and loyalty rewards.

10. Security and Maintenance

- Implement SSL certificates, data encryption, and firewalls.
- Regularly update software, monitor performance, and fix bugs.

b. Compare Online and Brick and Mortar methods of Sales.

Feature	Online Sales	Brick-and-Mortar Sales
Sales Channel	Website, mobile app, social media	Physical store or outlet
Customer Reach	Global access, 24/7 availability	Limited to local or regional footfall
Cost of Setup	Lower (no rent, fewer staff)	Higher (rent, utilities, staffing)
Convenience	High – shop anytime from anywhere	Medium – requires physical presence
Inventory Management	Centralized, often automated	On-site, manual or semi-automated
Marketing Approach	SEO, social media, email campaigns	Local ads, banners, in-store promotions
Return & Exchange	May involve shipping and delays	Immediate, in-person resolution

Q5. [10 Marks] - Answers

a. List and explain the different sources of Medium-term Finance.

Sources of Medium-Term Finance

Medium-term finance refers to funds borrowed or raised for a period of **1 to 5 years**. It is commonly used for business expansion, equipment purchase, or working capital needs.

1. **Term Loans from Banks**

- Offered by commercial banks for 3–5 years.
- Used for purchasing machinery, vehicles, or infrastructure.
- Repayable in monthly or quarterly installments.

2. **Debentures**

- Debt instruments issued by companies to raise funds from the public or institutions.
- Fixed interest is paid to debenture holders.
- Suitable for companies with strong credit ratings.

3. **Hire Purchase**

- Allows businesses to acquire assets by paying in installments.
- Ownership is transferred after the final payment.
- Common for vehicles, equipment, and machinery.

4. **Leasing**

- Businesses use assets without owning them.
- Lease payments are made periodically to the lessor.
- Useful for conserving capital and avoiding asset depreciation.

5. **Loans from Financial Institutions**

- Offered by institutions like SIDBI, IFCI, and state finance corporations.
- Targeted at SMEs and startups for expansion and modernization.
- May include concessional interest rates or subsidies.

b. Explain procurement and E-Procurement. Also describe the components of e-Procurement.

What is Procurement?

Procurement refers to the strategic process of sourcing, purchasing, and managing goods and services required by an organization. It includes identifying needs, selecting suppliers, negotiating contracts, and ensuring timely delivery.

What is E-Procurement?

E-Procurement (Electronic Procurement) is the use of digital platforms and tools to automate and manage procurement activities online. It streamlines purchasing, reduces paperwork, and enhances supplier collaboration.

According to WallStreetMojo, e-Procurement aims to save time and money by digitizing transactions and eliminating manual vendor interactions.

Components of E-Procurement

Here are the major components that make up a robust e-Procurement system:

1. **E-Tendering**

- Online invitation and submission of bids from suppliers.
- Ensures transparency and competitive pricing.

2. **E-Catalog Management**

- Digital product listings with specifications, prices, and availability.
- Helps buyers compare and select items easily.

3. **E-Ordering**

- Automated purchase order creation and approval workflows.
- Reduces delays and manual errors.

4. **E-Invoicing**

- Electronic generation, submission, and tracking of invoices.
- Speeds up payment cycles and improves accuracy.

5. **Supplier Management**

- Maintains supplier profiles, ratings, and performance history.
- Facilitates better vendor selection and relationship building.

6. **Contract Management**

- Digitally stores and monitors procurement contracts.
- Ensures compliance and timely renewals.

7. **Spend Analysis**

- Tracks procurement expenses and identifies cost-saving opportunities.
- Supports strategic decision-making.

Q6. [10 Marks] - Answers

a. Define E-commerce and explain different types of E-commerce.

Definition of E-Commerce

According to Investopedia, **E-commerce** is the process of conducting commercial transactions electronically via the internet. It includes activities like online shopping, digital payments, and electronic data exchange

Types of E-Commerce

1. **Business-to-Business (B2B)**

- Transactions occur between two businesses.
- Common in wholesale, manufacturing, and supply chain sectors.
- Example: A textile manufacturer selling fabric to a clothing brand.

2. **Business-to-Consumer (B2C)**

- Businesses sell directly to individual consumers.
- Most common form of e-commerce.
- Example: Amazon, Flipkart selling products to customers online.

3. **Consumer-to-Consumer (C2C)**

- Individuals sell products or services to other individuals.
- Platforms facilitate peer-to-peer transactions.
- Example: OLX, eBay, Facebook Marketplace.

4. **Consumer-to-Business (C2B)**

- Individuals offer products or services to businesses.
- Common in freelancing, influencer marketing, and crowdsourcing.

- Example: A graphic designer selling a logo to a startup via Fiverr.

5. **Business-to-Administration (B2A)**

- Businesses provide goods or services to government or public institutions.
- Includes legal services, software solutions, and infrastructure.
- Example: A tech firm supplying e-governance software to a municipal body.

b. Explain Supply Chain Management (SCM) and enlist its characteristics.

What is Supply Chain Management (SCM)?

Supply Chain Management (SCM) refers to the planning, execution, and monitoring of all processes involved in the movement of goods, services, and information—from raw material suppliers to end customers. It aims to optimize cost, quality, speed, and customer satisfaction.

Characteristics of SCM

Here are the salient features that define an effective supply chain management system:

1. **Integration Across Functions**

- SCM connects procurement, production, inventory, logistics, and customer service into a unified system.

2. **Customer-Centric Approach**

- Focuses on delivering value to customers through timely and accurate order fulfillment.

3. **Efficient Resource Utilization**

- Minimizes waste and optimizes use of materials, labor, and infrastructure.

4. **Real-Time Data and Visibility**

- Uses digital tools to track inventory, shipments, and demand patterns instantly.

5. **Flexibility and Responsiveness**

- Adapts quickly to market changes, supply disruptions, or customer demands.

6. **Collaboration with Partners**

- Encourages strong relationships with suppliers, distributors, and logistics providers.

7. **Risk Management**

- Identifies and mitigates risks like delays, shortages, or geopolitical issues.

8. **Technology-Driven Operations**

- Employs ERP systems, AI, IoT, and blockchain for smarter decision-making.

9. **Sustainability Focus**

- Promotes eco-friendly practices like green logistics and ethical sourcing.

10. **Continuous Improvement**

- Uses performance metrics and feedback to refine processes and boost efficiency.