

Module - 4

Meaning of Entrepreneur; Evolution of the Concept, Functions of an Entrepreneur, Types of Entrepreneur, and Entrepreneur – an emerging Class. Stages in entrepreneurial process; Role of entrepreneurs in Economic Development; Entrepreneurship – its Barriers, EDP and its objectives (Case studies discussion, role play / group discussion)

Meaning of Entrepreneur

- The spirit of enterprise makes a person is entrepreneur. Entrepreneur thus is an innovator who carries out new combinations in ever changing environment to initiate & accelerate the process of economics social & technological development. He who uses searches for changes responds to it & exploits the opportunity. The person having a dynamic activity to prime changes in the process of production, innovations in business, new ideas & usages of resources, establishing new markets.
- **Evolution of concept** : It varies from country to country, time o time & the level of economic development of the place. This word is derived from French verb. Which is entreprendre means to undertake 16th country the Frenchmen who organized & military expeditions were referred to as entrepreneurs.

Functions of an Entrepreneur

- Performs functions such as planning, organizing, managing, risk bearing and decision making
1. Planning of the project : He is the organizer to conceive the idea of launching the project and to Program to structure of the business
 2. Management : The entrepreneur is also responsible for the management of business. He tries to have a least cost combination of factors of production.
 3. To Face Risks : He faces uncertainly and bears risks in his business uncertainly comprising those risks against which it is not possible to insure. He also faces the risk of other producers may enter the market

4. Distribution of Rewards: He is responsible of distributing the rewards to all factors of production. He pays the reward in the shape of rent, wage, and interest and bears the risk of profit or loss himself
5. Sale of Products: An entrepreneur is also responsible of marketing, advertising. He wants to maximize his profits by selling his product in the market.
6. Scale of Production: He decided the scale of business in according with the provision of capital. Then, he takes the decision of what where and how to produce goods.
7. Joint stock Organization: In a partnership, the entrepreneurial functions are divided between the partners. But in public limited company, the board of directors takes this responsibility with nationalized enterprise; the entrepreneurial decisions are left to the government or a body to which government has delegated its powers.