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Course Instructor(s): Dr.Manoj Challa & Prof. Anjali Gupta			
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Question Bank with Solutions

MODULE – 1: INTRODUCTION

1. Define Management? Explain the functional area of management.

Every business need the direction this direction is given by Management.

“Management is conduct of affairs of business moving towards its objectives through a continuous process of improvement and optimization of resources”

“Management is the process of designing and maintaining an environment in which individuals working together in groups effectively”

Characteristics of Management

- It should be stable
- It should be applicable to all kinds of organization
- It is transparent
- Its approaches are to be clear and objective oriented
- It should be simple yet effective

Nature of Management

- Management is Goal-oriented.
- Management is Universal.
- Management is an Integrative Force.
- Management is a Social Process.
- Management is Multidisciplinary.
- Management is Continuous Process.
- Management is Intangible.
- Management is an Art as well as Science.

There are 5 essential functions of Management –

- Planning
- Organizing
- Staffing
- Directing(Leading)
- Controlling

Planning

Planning is an executive function that is referred to as decision making.

- ▶ Setting short and long term goal for organization
- ▶ Selecting objectives , strategies and policies for accomplishing the planned goals

- ▶ Deciding in advance what to do, how to do, who has to do, when to do, where to do.
- ▶ Planning bridges the gap from where we are now to where we want to be in future.

Organizing

- ▶ It is a part of management that involves in establishing an structure of roles for people to fill in an organization.
- ▶ Determination of activities required to achieve objectives.
- ▶ Grouping these activities into departments
- ▶ Assigning such groups of activities to managers.
- ▶ Making provision for coordination of activities.

Staffing

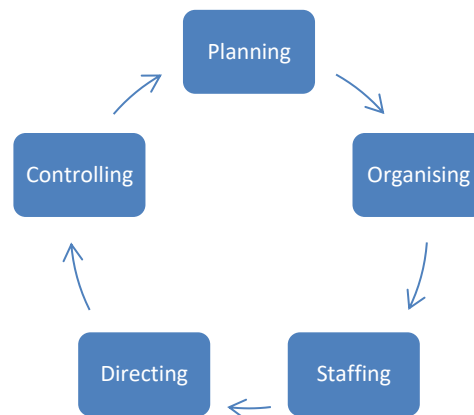
- ▶ Staffing is an important function which makes provision for man power to fill different positions.
- ▶ Finding the right person for right job
- ▶ Placement, Training and developing new skills required for present and future jobs.
- ▶ Creating new positions
- ▶ Apprising the staff and planning their growth and promotion etc

Directing (Leading)...

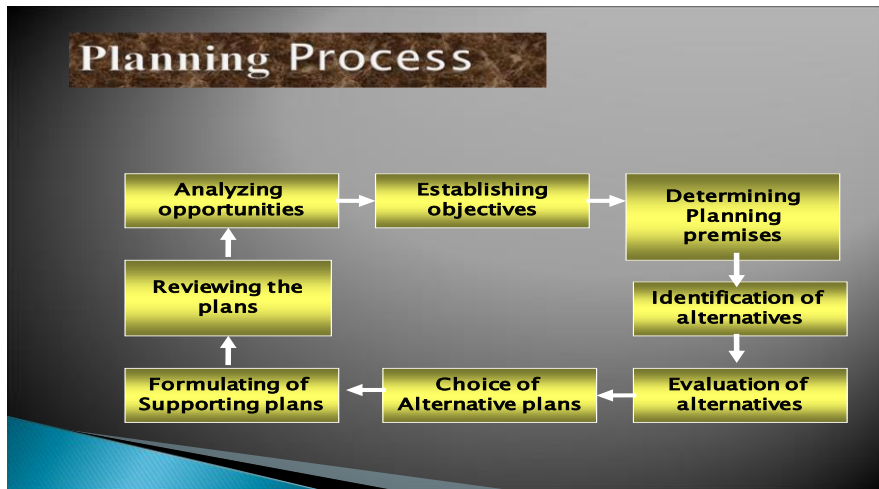
- ▶ Next important function of management is directing or leading the people towards the defined objective.
- ▶ Directing sub functions are –
Communication
Leadership
Motivation

Controlling

- ▶ Controlling is measuring and correcting of activities of subordinates to make sure that the work is going on as per the plan.
- ▶ Establishing standards of performance
- ▶ Measuring performance and comparing with established standards
- ▶ Taking necessary corrective action to meet the set standards.

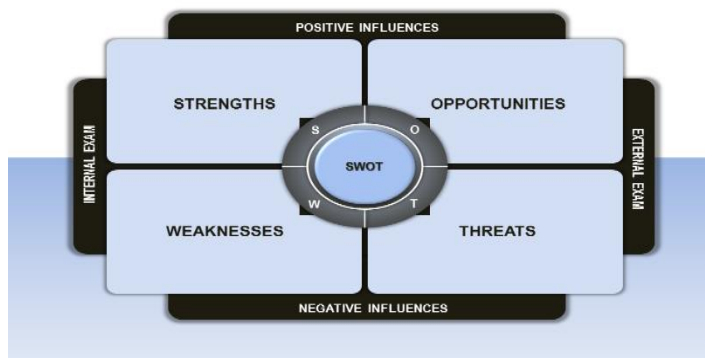


2. What are the steps are involved in planning process? Explain.

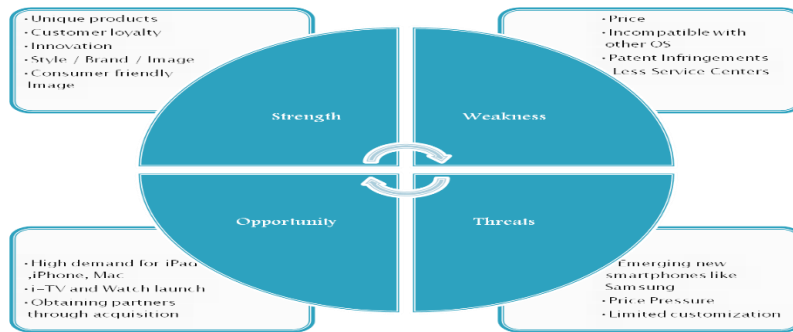


Analyzing opportunities

- Not a step of Planning, It is pre-step of planning.
- Essential to make a successful plan.
- SWOT analysis



- Strengths - the positive internal attributes of the organisation
- Weaknesses - the negative internal attributes of the organisation
- Opportunities - external factors which could improve the organisation's prospects
- Threats - external factors which could undermine the organisation's prospects



Establishing objectives

- First and real starting point of planning.
- Management has to define objectives in clear manner by considering organizational resources and opportunities because a minor mistake in setting objectives might affect in implementation of plan.
- Objectives must be specific, clear and practical.
- Objectives should be time bound

Determining Planning premises

- ▶ Premises are the assumptions about the future in which the planning is implemented.
- ▶ They provide environment and boundaries for the implementation of plan in practical operation.

There are 3 types of planning premises

- ▶ Internal and external premises
- ▶ Tangible and intangible
- ▶ Controllable and uncontrollable
- ▶ **Internal premises** with in the organization (Policies, investment, availability of equipments, funds etc)
- ▶ **External premises** means out side the organization (Govt policies, Economic conditions, population , demand)
- ▶ **Tangible premises** are the measurable premises like population, investment, demand etc.
- ▶ **Intangible premises** are those which cannot be measured like business environment, economic conditions etc

- ▶ ***Controllable premises*** like technical man power , input technology, financial investment etc
- ▶ ***Uncontrollable premises*** like strikes, change of govt policies, wars etc.

Identification of alternatives

- ▶ It is essential to identify all the possible hidden alternatives.
- ▶ There must be search for the best alternative. The management must develop alternatives through the support of experienced and intellectual experts in management sectors.

Evaluate the alternatives

- ▶ Evaluate the alternatives from their expected cost and benefits. This is the logical step to evaluate each alternative from its plus and minus points.
- ▶ Each alternative is studied and evaluated in terms of some common factors such as risk, responsibility, planning premises, resources, technology etc.

Formulating of Supporting plans

- ▶ It is essential to formulate action of supportive plan for each step of work and to all departments of the organization.
- ▶ These action plans involve formulation of policies, rules, schedule and budget to complete defined objectives. Thus, formulation of supportive plans is an essential step in planning process.
- ▶ It is difficult to implement main plan without formulation of derivative plan.

Implementation of Plan

- ▶ Without this step, other this procedure of plan will remain as paper work.
- ▶ This step brings all the procedure of plan into action.
- ▶ For implementation plan, management has to take some steps such as to communicate with subordinates who initiate to plan into action; provide necessary instruction and guidance; make arrangement of all resources like materials, machines, money, equipment's etc; make timely supervision and control over subordinates.

3. What are the sources of recruitment?

Recruitment forms the first stage in the process, which continues with selection of the candidate. Recruitment makes it possible to acquire the number and type of people necessary to ensure the continued operation of the organization.

Meaning and Definition:

In simple terms Recruitment is understood as a process for searching and obtaining applicants for jobs, from among the available resources.

The sources of recruitment may broadly be divided into various categories: internal sources and external sources and third party

Internal Recruitment- is a recruitment which takes place within the concern or organization. Internal sources of recruitment are readily available to an organization.

- a)Transfers
- b)Promotions
- c)Re-employment of ex-employees

External Recruitment- External sources of recruitment have to be solicited from outside the organization. But it involves lot of time and money.

- a)Employment at factory level
- b)Advertisement
- c)Employment exchanges
- d) Employment agencies
- e)Educational Institutions
- f)Recommendations
- g)Labor contractors

Internal sources	External Sources
Transfers	Outsourcing
Promotions	Walk-in Interviews
Employee referrals	Job portals (monster.com, naukri.com)
Lay-off	University or institute campus
Extension of services	Public Employment exchange

Informal Search	Labour contractors
	Internships
	Employment Consultancies Agencies/
	E-Recruitment
	Outsourcing
	Walk-in Interviews
	Advertisement
	Tele recruiting

4. Explain management –A science, art or profession?

Management is considered as both science as well as an art. It is science because it has universally accepted principles, it has cause and effect relationship etc, and at the same time it is an art because it requires personal skills, practical knowledge, creativity etc

Why management is an art?

Because it depends on the skills, aptitude & creativity of the manager.

- ▶ It is called an art because managing requires certain skills which are personal possessions of managers. Art deals with the application of knowledge and skills
- ▶ Art: Art is bringing about of a desired result through application of skill.
- ▶ Personal Skill
- ▶ Practical Knowledge
- ▶ Concrete Result-Oriented Approach
- ▶ Development through Practice
- ▶ Creative Power

Management as a Science

- ▶ **Science:** Science is a systematized body of knowledge which establishes relationship between cause and effect. It is considered as a science because it has an organized body of knowledge which contains certain universal truth.
- ▶ Science provides the knowledge
- ▶ Systematized Body of knowledge
- ▶ Based on collection of facts, Analysis and experiments
- ▶ Universal Application
- ▶ Cause and effect Relationship
- ▶ Verification of validity and Prediction of results possible
- ▶ Management combines features of both science as well as art.
- ▶ A manager to be successful in his profession must acquire the knowledge of science & the art of applying it. Therefore management is a judicious blend of science as well as an art because it proves the principles and the way these principles are applied is a matter of art.
- ▶ Science teaches to 'know' and art teaches to 'do'.

Management as a Profession

- ▶ **Profession:** Profession is that occupation in which one professes to have acquired specialized knowledge, which is used either in instructing, guiding or advising others.
- ▶ Body of Specialized knowledge and technique
- ▶ Formalized Methods of Acquiring Training and experience
- ▶ Establishment of representative professional Association-

Functions to be performed:

1. Regulate behavior
2. To create code of conduct
3. Support the image of its members

5. What is the scope of management?

The management is a must for every organization

- The existence of management ensures proper function and running of an enterprise.
- Management plans the activities , coordinates and utilizes the available recourses effectively and efficiently at minimum cost.
- Scope of management is not limited only to business organization , but it is extended to business establishment, hospitals, educational institutions, Govt offices, Service organizations, security organizations etc
- ▶ **Management scope can be extended to the following areas of life –**
 1. Developing Management
 2. Financial Management
 3. Marketing Management
 4. Transport Management
 5. Purchase Management
 6. Sales Management

6. Bring out the differences between management and administration.

Characteristics	Administration	Management
Main Function	Planning ,Organising and staffing	Leading, Motivation & Controlling
Status	Act as owner	Act as an agency
Skills	Good administrative skills	More technical skills
Level in the organization	Top level	Lower level
Position	MD, Owner, CEO	Manager , Supervisor, foremen etc...

Objective	Makes the policies & objectives to be achieved	Implements the plans and policies
Involvement	No direct involvement in production or service	Directly involved in the execution of plans and achieving objectives

7. What are the roles of manager? Explain.

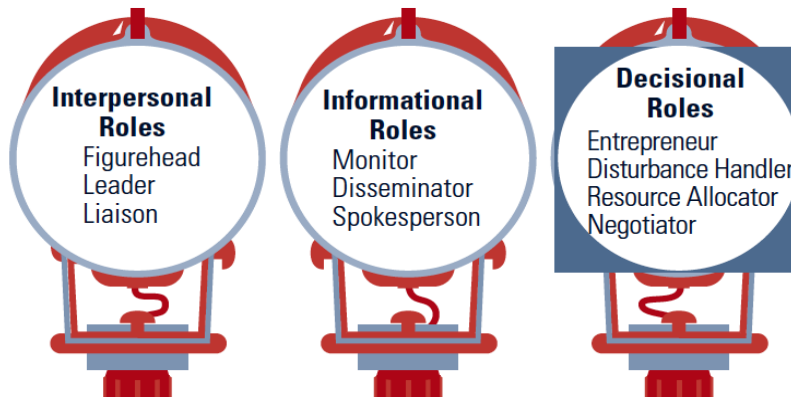
Roles of management

- ▶ Manager plays variety of roles responding to a particular situation.
- ▶ There are 3 important roles –
 1. Interpersonal Roles
 2. Decision Roles
 3. Information Roles

Interpersonal Roles

Figurehead	Manager serves as an official representative of the organization or unit	Greeting visitors; signing legal documents
Leader	Manager guides and motivates staff and acts as a positive influence in the workplace	Staffing, training
Liaison	Manager interacts with people outside the organization to gain information	Acknowledging mail/email; serving on boards; performing activities that involve outsiders

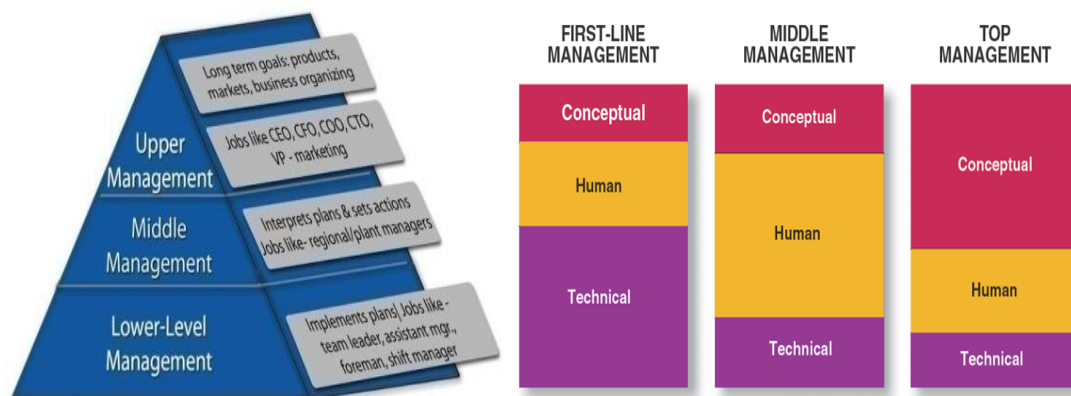
INFORMATIONAL		
Role	Description	Identifiable Activity
Monitor	Manager receives and collects information	Reading magazines and reports; maintaining personal contacts
Communication (Disseminator)	Manager distributes information within the organization	Meetings; making phone calls to relay information; email/memos
Spokesperson	Manager distributes information outside the organization	Board meetings; giving information to the media
DECISIONAL		
Role	Description	Identifiable Activity
Entrepreneur	Manager initiates change	Organizing sessions to develop new programs; supervises design of projects
Disturbance Handler	Manager decides how conflicts between subordinates should be resolved	Steps in when an employee suddenly leaves or an important customer is lost
Resource Allocator	Manager decides how the organization will use its resources	Scheduling; requesting authorization; budgeting
Negotiator	Manager decides to negotiate major contracts with other organizations or individuals	Participating in contract negotiations or in those with suppliers



8. Explain the different levels of management. (or) Explain different skills and their importance at different levels of management.

There are 3 levels of management –

1. Top level Management
2. Middle level Management
3. Lower level or first line Management





9. Explain modern management approaches. (or) Explain behavior approach to management. (or) Explain quantitative approach to management.

Modern approaches to management.

Behaviour Approach - The behavioral approach to management emphasized individual attitudes and behaviors and group processes, and recognized the significance of behavioral process in the workplace. The behavioral approach to management emphasized individual attitudes and behaviors and group processes, and recognized the significance of behavioral process in the workplace. Psychologist, sociologists and others began studying people at work. The behavioral approach believes that an individual is motivated to work for many reasons in addition to making money and forming interpersonal relationships.

Systems Approach- A system is defined as a set of independent parts together form a whole that performs a defined task. Organization is a system that consists of people, task structure and Technology. A system that interacts with out side environment is called as open system. A system that works with in close boundary is called as close system

Systems approach: Provides integrated approach to management problems and the key concepts of systems approach are

System is a set of independent parts: Which together works as a single unit and performs some function. Similarly an organization can also be considered to be composed of four independent parts namely task, structure, people and technology. Structure subsystem: refers to the formal division of authority and responsibility, communication channels and workflow. People subsystem: refers to the employees with their motives, attitudes and values and the informal organization. Technology subsystem: refers to the tools and equipment as well as techniques which are used by the organization to perform the task. Concept of considering the system as a whole: Means that no part of the system can be analyzed and understood apart from the whole system and conversely, the whole system cannot be accurately perceived without understanding all its parts. Each

part bears a relation of interdependence to every other part which rather than dealing separately with the various parts of the organization as a whole. The above concept facilitates more effective diagnosis of complex situations and increases the likelihood of appropriate managerial functions. A system can be either open or closed: Open system is one which interacts with its environment and closed system is one which is independent of the environment.

The Four Parts of a System



Quantitative Approach- It is also known as Management Science Approach. This approach is used to find the solution to some complex new problems. As a result, the quantitative approach called Operation Research (OR) was developed.

Contingency Approach - The techniques and methods that are highly effective in one particular situation may be failure in similar situation in other area. This approach suggests that the task of managers is to identify the correct techniques that will suit a particular situation and apply them to solve the problem.

10. Explain early management approaches. (or) Explain scientific management. (or) Explain Taylor's scientific principles of management. (or) Explain the Henri Fayol's administrative management. (or) What are contributions of Henry Fayol? Explain.

Psychological development (Before 17th century)

- ▶ People having universal belief that managers are born and cannot be made
- ▶ In olden days when there was no experience and knowledge of business, they had to depend upon their in-born abilities

Scientific Management

F.W. Taylor

- The "father" of scientific management
- Published *Principles of Scientific Management* (1911)
 - The theory of scientific management
 - Using scientific methods to define the "one best way" for a job to be done:
 - Putting the right person on the job with the correct tools and equipment.

- Having a standardized method of doing the job.
 - Providing an economic incentive to the worker.
- Time and motion study

a) **Work Study –**

- ▶ Work study includes time and motion study
- ▶ He observed that workers were not producing their full capacity of work.
- ▶ Start recording the time required for each motion of job with the help of stop watch
- ▶ The time required to complete one job was is standard time.

b) **Differential Payment –(Payment Plan)**

- ▶ Taylor linked the incentives with production
- ▶ Workers get minimum wage if he produces a standard number of pieces, if he produces more he is paid incentives.
- ▶ This would motivate the workers to produce more.

c) **Reorganization of Supervision –**

- ▶ Taylor observed that the workers himself had to plan his work and do the job
- ▶ He advocated that the planning of work and selection of tools are to be done by foreman and the workers has to carry out the work

d) **Scientific Req and Training –**

- ▶ Taylor has suggested the need for scientific training and development of a worker to carry out a specific task.

Taylor's Five Principles of Management

- ▶ Develop standard methods for performing each job
- ▶ Select workers with appropriate abilities for each job
- ▶ Train workers in standard methods
- ▶ Support workers & eliminate interruptions
- ▶ Provide wage incentives

Administrative Management –

• **Division of Work**

- ▶ Work of all kinds must be divided and allotted to various persons
- ▶ Simpler and results in efficiency
- ▶ Helps the individual in acquiring speed, accuracy in his performance
- ▶ Specialization leads to efficiency & economy in spheres of business

• **Authority & Responsibility**

- ▶ Authority is given to a person, he should also be made responsible.
- ▶ He should also have concerned authority, if anyone is made responsible.
- ▶ Authority refers to the right of superiors. responsibility means obligation for the performance of the job assigned.
- ▶ Should be a balanced.
- ▶ Authority- Responsibility = Irresponsible Behavior
- ▶ Responsibility- Authority = Ineffective

• **Discipline**

- ▶ Sincerity, Obedience, Respect of Authority & Observance of Rules and Regulations of the Enterprise.

- ▶ Subordinate should respect their superiors and obey their order.
- ▶ Smooth running of the enterprise
- ▶ Discipline can be enforced if -
 - Good superiors
 - Clear & fair agreements with workers

Unity of Direction (One Boss)

- ▶ One head one plan
 - ▶ Related activities should be grouped together
 - ▶ Efforts of all the members of the organization should be directed towards common goal
 - ▶ Without unity of direction, unity of action cannot be achieved.
- Unity of command is not possible without unity of direction

• **Remuneration**

- ▶ Paid to the workers should be fair of the efforts
- ▶ Determined on the basis of cost of living, work assigned etc,
- ▶ Provision of other benefits such as free education, medical & residential facilities to workers
- ▶ Management creates good relationship and pleasing atmosphere of work.

• **Centralization & De-centralization**

- ▶ Centralization-concentration of authority at the top level
- ▶ De-centralization-disposal of decision making authority to all the levels of the organization
- ▶ Increases the role of subordinate is decentralization & Decreases the role of subordinate is centralization

• **Initiative**

- ▶ Encouraged to take initiative in the work assigned to them
- ▶ Initiate actions without being asked to do
- ▶ Management should provide opportunity to its employees
- ▶ Suggest improvement in formulation & implementation of place

• **Order**

- Concerned with proper & systematic arrangement of things and people.
 - Arrangement of things is called material order
 - Placement of people is called social order.
 - Material order-should be safe, appropriate and specific place for every article
 - Social order-Selection and appointment of most suitable person on the suitable job

• **Scalar Chain**

- ▶ The chain of superiors ranging from the ultimate authority to the lowest
- ▶ Every orders, instructions etc. has to pass through Scalar chain.
- ▶ For the sake of convenience & urgency, this path can be cut
- ▶ Temporary arrangement between two different points to facilitate quick & easy communication
- ▶ Modified as per the requirements of situations.

Human relations movement

Taylor and Fayol did not consider or focus on human side

- ▶ Elton Mayo conducted series of experiments regarding human relations
- ▶ Business organization is not only a technical and economical unit where only production & profit are considered but it should have human system.
- ▶ In addition to incentives , it is important to create human relations
- ▶ Workers will expect social respect by his co-workers and supervisors.

11. Compare various approaches to management. (or) Explain different milestones in development of management thought.

(Ref to Answer 9 & 10)

12. What are different types of plans? Explain

- ▶ **Strategic plan** - It consists of major task and policies of an organization resources and facilities to accomplish the objectives
- ▶ Used by community groups, government departments, organizations and businesses to develop blueprint for action and change
- ▶ Defines mission, vision & values
- ▶ Establishes realistic objectives
- ▶ Ensures effective use of resources
- ▶ Provides base to measure progress
- ▶ Develops future direction
- ▶ Solves major problems
 - ▶ Mission -Core purpose of your organization
 - ▶ Presented in a clear, short statement that focuses on attention in one clear direction by stating purpose of the group's uniqueness.
- ▶ Vision-What is your organization's vision of excellence
- ▶ Has to be realistic and not something impractical

- ▶ Values-What are the principles, standards, and actions considered worthwhile in the organization
- ▶ Includes how people treat each other, how groups conduct business and what is most important to the organization
- ▶ **Tactical plan** - Its a short time planning
- ▶ Tactical plan are immediate decisions based on the executive's judgment and experience in facing an actual situation
- ▶ It consists of use of facilities and resources
- ▶ It is day-to-day operation and activities of the organization
- ▶ At lower level management
- ▶ **Single use plan - Single Use plans**
 - Developed to carry out a course of action that is not likely to be repeated in future
 - Ex: Schedules, Projects, Budgets
- ▶ **Standing Plans**
 - Developed for activities that occur regularly over a period of time
 - Ex: Objectives, Policies, Procedures, Rules

Long range plan	Point of distinction	Short range plan
Covers many years & affects many departments of an organization	Meaning	Covers less than one year and is more specific & detail
5 yrs or more	Time	2 to 5 Years
Organizations linkage with external factors	Primary focus	Linkage with various parts of an organization
Mission ,long term objectives and strategies	Deals with	Current operations of organization
Top management	Prepared by	Lower level executives

► **Proactive Plan - Proactive Planning:**

- Managers challenge the future, anticipating future and get ready with alternative routes for unseen circumstances

► **Reactive Plan - Reactive Planning:**

- Organizations react to events as and when they arise

13. Define an organization and distinguish between Formal & informal organizing.

- Organizing is the process of arranging and allocating work, authority, and resources among an organization's members so that they can achieve organizational goal.
- "Organizing is the process of identifying and grouping of the works to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of people to work most efficiently".

S. No	Formal Organisations	Informal Organisations
1.	It is consciously and deliberately created	It arises spontaneously
2.	Authority and responsibility are vital for its functioning	It is only personal factors such as friendship, affinity, trust and confidence that are important.
3.	Rules and procedures are important	Personal relationship between individual is more important.
4.	It can be shown on the organisation chart	It cannot be shown
5.	Authority flows downwards and responsibility flows upwards.	There is no flow of authority and responsibility.
6.	It is deliberately created only to attain the enterprise objectives.	It is created to fulfill the social needs of an individual. However, it may also contribute to the enterprise goal.
7.	Designations and official positions are very important	Designations and official positions are unimportant.
8.	It is permanent and stable.	It is unstable.

14. Discuss different types of organization structures with a chart highlighting their merits & demerits.

Types of organization-

Different Types Of Organization Are:-

1. Line Organization
2. Line & Staff Organization
3. Functional Organization
4. Matrix Organization

Line Organization –

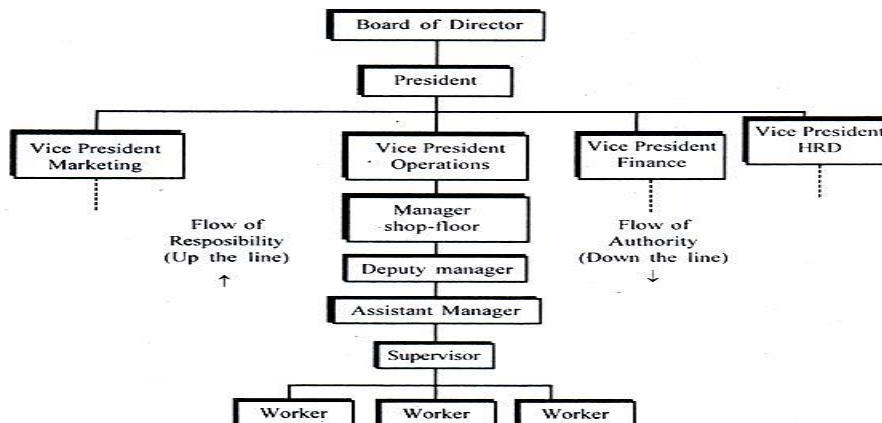
The Line organization is delegated directly from top to bottom. There is vertical line of authority running from top to the bottom of the organization. The man at the top has the highest authority and it is reduced at each successive level down the hierarchy. Suitability: This kind of structure is suitable for smaller organizations.

Advantages

Clear Authority & Responsibility
Easy to Understand
One Supervisor Per Employee

Disadvantages

Inflexible
Long Line of Communication
Difficult to Handle Complex Decisions



Line & Staff Organization

Staff authority is used to support the line authority. Line and staff organizations have both line and staff executives. Line executives are assisted by staff specialists in planning, distribution, quality, legal, audit, public relations, etc. For example, a production manager (a line authority) does not have enough time and experience to handle labour relation problems. Staffs help them in doing so.

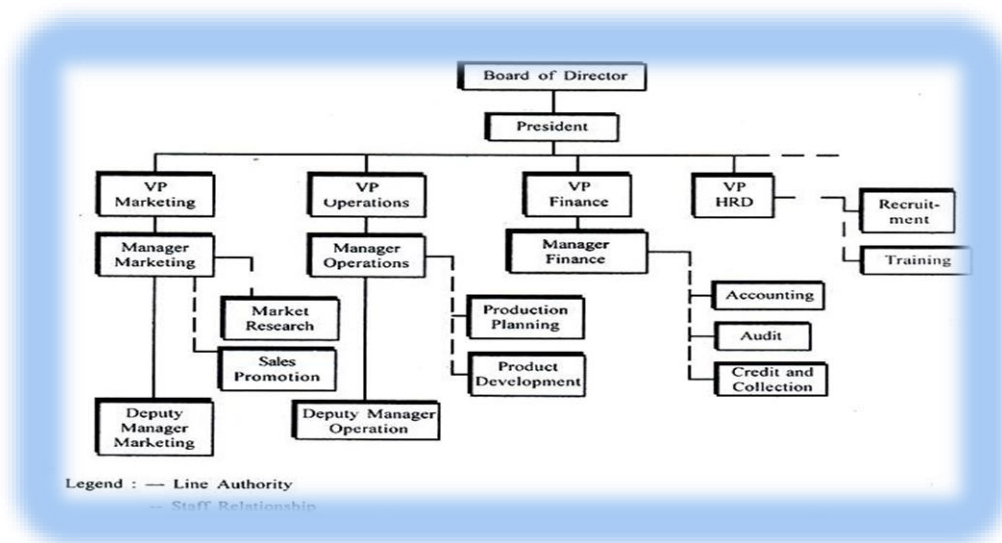
Advantages

- Planned Specialization
- Quality Decisions
- Expert Advice

Disadvantages

- Confusion
- Ineffective staff
- Line and Staff Conflicts

Suitability: This structure can be followed in large organizations.



Functional Organization –

A functional organizational structure is one on which the tasks, people, and technologies necessary to do the work of the business are divided into separate “functional” groups (such as marketing, operations, and finance) with increasingly formal procedures for coordinating and integrating their activities to provide the business’s products and services

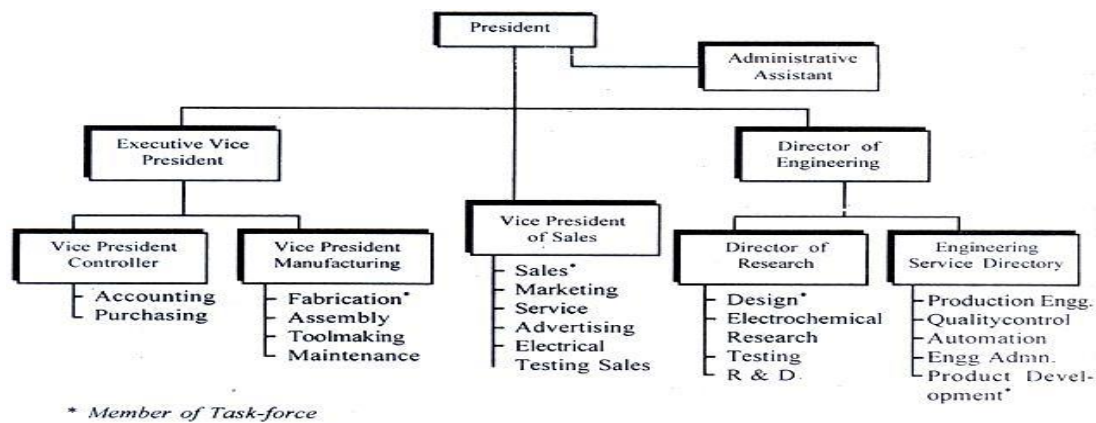
Advantages

Specialization
Executive Development
Scope for Expansion
Better Control

Disadvantages

Violates the principle of unity of command
Complexity
Lack of coordination

Suitability: It has been criticized by many authors due to violation in unity of command.



Matrix Organization

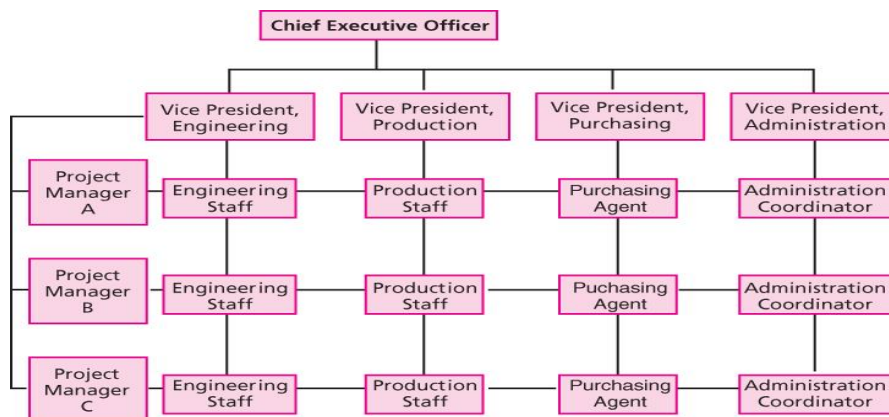
Matrix organization has been developed to meet the need of large organizations for a structure which is flexible and technically sound. An individual has 2 bosses- his permanent and the project manager. Suitability- it can be successful only when there is an agreement among the key executive.

Advantages

Flexibility
Cooperation & Teamwork
Creativity
More Efficient Use of Resources

Disadvantages

Costly/Complex
Confusion
Requires Good Interpersonal Skills & Cooperation
Not Permanent

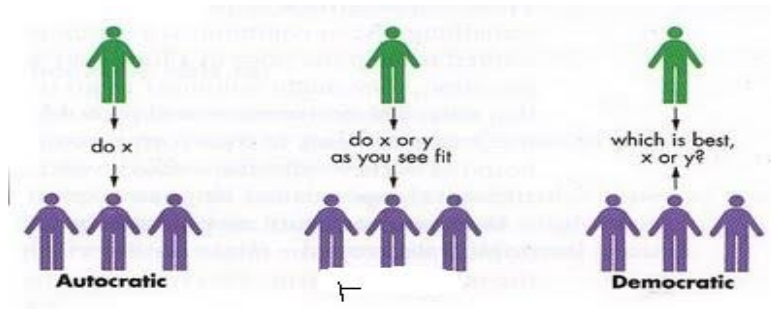


MODULE 2: DIRECTING AND CONTROLLING

1. Write the note on autocratic and democratic leadership styles with its merits and demerits. (or) Explain different styles and importance of leadership in organization. (or) Give principles of directing. Differentiate between autocratic, participative and free-rein styles of leadership. (or) List various theories of leadership.

Types of leadership styles –

- ▶ **Autocratic** - A leadership style where the leader makes all decisions independently or without consulting with others
Advantages: good in certain circumstances, such as urgent tasks or military actions
Disadvantages: poor decisions, poor level of employee motivation
- ▶ **Democratic** - A leadership style where a leader encourages employee participation in decision-making
Type of consultative
Advantages: better decisions, employee motivation
Disadvantages: delayed decision, long consultation
- **Free Rein**
A leadership style where employees are encouraged to make their own decisions.
Advantages: more freedom for employees
Disadvantages: few guidelines, little incentive, poor motivation, maybe a mess
 - Autocratic leadership—boss makes decisions on their own without consulting employees
 - Democratic leadership—involves subordinates in making decisions
 - Free-reign leadership—leader believes in minimal supervision, leaving most decisions to subordinates



2. What is motivation?

Explain Maslow's need hierarchy theory of motivation. (or) List various theories of Motivation. (or) Briefly explain comparison of Maslow's and Herzberg theories of human motivation. (or) What is two factor theory? Explain. (or) Discuss McGregor's theory X and theory Y.

Motivation means a process of stimulating people to action to accomplished desired objectives

Characteristics

- ▶ Helps in satisfying needs of the Employees
- ▶ Change the negative attitude to Positive attitude

- ▶ Helps in introducing changes
- ▶ Improves level of efficiency of employees
- ▶ Creating friendly and supportive relationship

Various theories of motivation.

Fear and Punishment Theory

Managers developed a strategy of forcing people to work by threatening to punish or dismiss them or cut their rewards if they did not work well. This philosophy is characterized by thinking of aggressiveness and authorities managers. Their was a tight control and rigid supervision over workers.

Reward Theory

This theory tried to establish a direct relationship between efforts and rewards. Bases of Piece rate system of wages. Based on the standard manager should decide on degree of rewards and penalties

Carrot and Stick Theory

This theory suggest a combination of both rewards and penalties for motivation This is based on the strategy of putting carrot in the front of the donkey and hitting it with the stick so it has to run

Carrot refers to the incentives . Stick refer to the penalties

Maslow's Theory of Motivation

Abraham Maslow is well renowned for proposing the Hierarchy of Needs Theory in 1943. Maslow was of the view that needs have priority, i.e., needs are satisfied in an order. As soon as the lower level needs are satisfied. Those on the next higher level emerge. Thus, he considered an individual's motivation behavior as a predetermined order of needs.



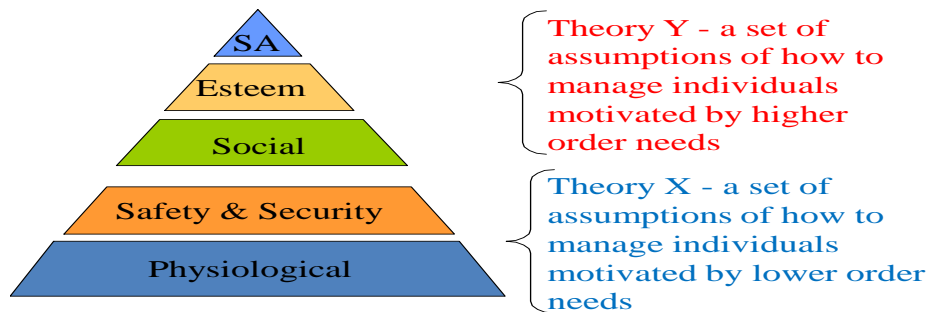
McGregor's Theory X and Y

Theory X -Assume that workers have little ambition, dislike work, avoid responsibility, and require close supervision.

Theory Y -Assumes that workers can exercise self-direction, desire, responsibility, and like to work.

Assumption -Motivation is maximized by participative decision making, interesting jobs, and good group relation.

Motivational Theories X & Y



McClelland's Need Theory

- **Need for Achievement**

The desire to excel and succeed

- **Need for Power –**

The need to influence the behavior of others.

- **Need for Affiliation –**

The desire for interpersonal relationship

- **Herzberg's Motivation-Hygiene Theory**

Job satisfaction and job dissatisfaction are created by different factors.

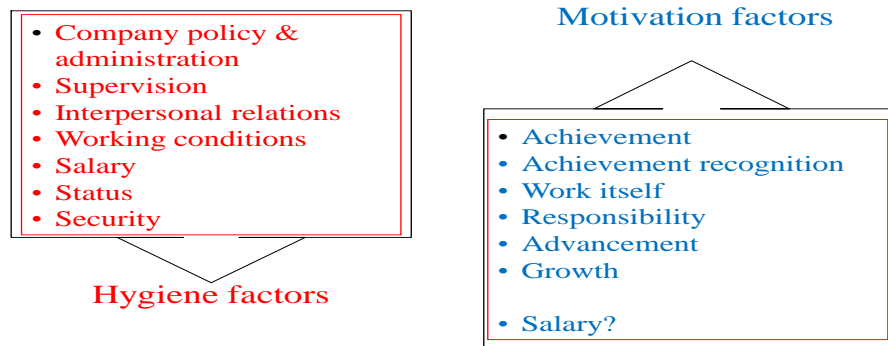
Hygiene factors- Extrinsic (Environmental) factors that create job dissatisfaction.

Motivation Factors- Intrinsic (Psychological) factors that create job satisfaction.

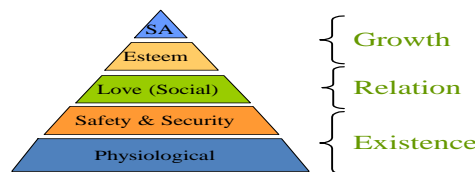
Attempted to explain why job satisfaction does not result in increased performance

The opposite of satisfaction is not dissatisfaction but rather no satisfaction.

Motivation–Hygiene Theory of Motivation



Alderfer's ERG Theory



3. What is directing? Explain the importance of directing.

Directing the efforts of your people and resources will help your company accomplish its planned objectives. Directing is the process of guiding and supervising employees, often one-on-one, while they work.

Importance of Direction.

Directing the efforts of your people and resources will help your company accomplish its planned objectives.

Directing is the process of guiding and supervising employees, often one-on-one, while they work.

Importance of Direction

It guides and helps the subordinates to complete the given task properly and as per schedule. It provides the necessary motivation to subordinates to complete the work satisfactorily and strive to do the best.

It helps in maintaining discipline and rewarding those who do well.

Directing involves supervision.

4. What is communication? Explain its importance. Explain different types of communication. (or) Explain various forms of communication.

Communication helps employees to understand their role clearly and perform effectively. It helps in achieving co-ordination and mutual understanding which in turn, leads to increased productivity.

Communication improves managerial efficiency and ensures cooperation of the staff.

Effective communication helps in molding attitudes and building up employees' morale. Communication is the process by which two or more persons come together to exchange ideas and understanding amongst themselves.' Communication is a basic organizational function, which refers to the process by which a person (known as sender) transmits information or messages to another person (known as receiver). Communication takes place through the formal channels of the organization structure along the lines of authority established by the management. Such communications are generally in writing and may take any of the forms; policy; manuals: Procedures and rule books; memoranda; official meetings; reports, etc. Communication arising out of all those channels of communication that fall outside the formal channels is known as informal communication. Informal communication does not flow lines of authority as is the case of formal communication. It arises due to the personal needs of the members of the organization. At times, in informal communication, it is difficult to fix responsibility about accuracy of information. Such communication is usually oral and may be covered even by simple glance or smile or silence.

Various forms of communication

Types	Examples	Usefulness
Written	Letters, Memos, Reports, etc.	It is relatively permanent and accessible.
Oral	Conversations, Interviews, Phone calls, Speeches, etc.	It is the easiest when one needs to communicate urgently.
Kinesics	Facial expressions, Actions, Tone	Body unconsciously does 90% of communication.

5. What are barriers to communication? Explain.

- Badly expressed message
- Faulty organization
- Distrust of communicator
- Restricting communication
- Poor retention
- Different backgrounds
- In-group language
- Inattention
- Physical barriers
- Poor understanding

6. Explain different types of motivation.

Positive motivation - Positive motivation induces people to do work in the best possible manner and to improve their performance.

An example of Positive motivation :when a Boss tells his subordinate , "if you achieve the target on the time I will give you promotion “

Negative motivation is generally resorted to when positive incentive does not work and a psychological set back has to be given to employees.

An example of negative motivation :

When a Boss tells his subordinate , "if you do not achieve the target on the time I will give you demotion”

Monetary incentives-Those incentives which satisfy the subordinates by providing them rewards in terms of rupees. Money has been recognized as a chief source of satisfying the needs of people. Money is also helpful to satisfy the social needs by possessing various material items.

Non-monetary incentives-Besides the monetary incentives, there are certain non-financial incentives which can satisfy the ego and self- actualization needs of employees. The incentives which cannot be measured in terms of money are under the category of “Non-monetary incentives”.

Non- financial incentives can be of the following types:-

- Security of service-
- Praise or recognition-
- Promotion opportunities

7. Describe the steps in controlling process. (or) Explain the methods of establishing sound controlling. (or) State and explain steps in controlling.

Various methods of controlling process

Control is reciprocally related to planning :

- a. Draws attention to situations where new planning is needed.
- b. Provides data upon which plans can be based.

Various steps in control process which are necessary in its relationship to planning :

Establishment of control standards

The control process begins with planning and the establishment of performance objectives. Performance objectives are defined and the standards for measuring them are set.

There are two types of standards:

- Output Standards - measures performance results in terms of quantity, quality, cost, or time.
- Input Standards - measures work efforts that go into a performance task.

Measurement of performance.

Measurements must be accurate enough to spot deviations or variances between what really occurs and what is most desired.

Without measurement, effective control is not possible

Comparison between performance and standards and the communication.

Accurate standards and accurate measurement of actual performance are very important for clear revelation of variations.

Required standards achieved :

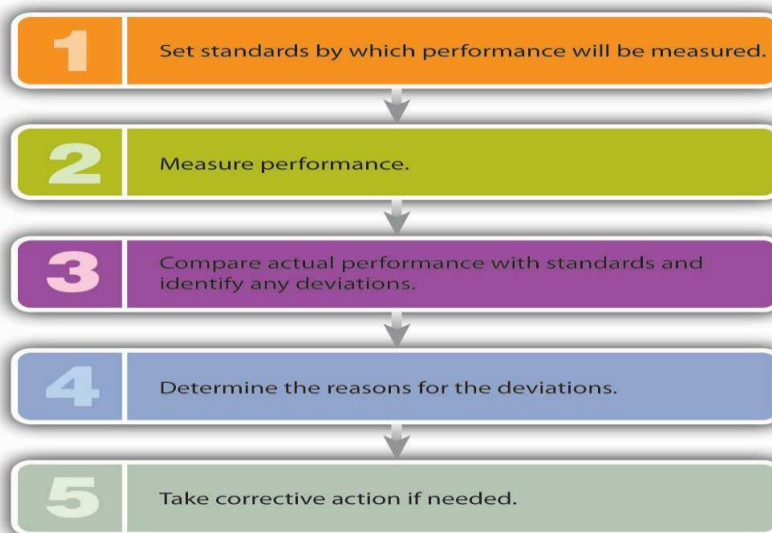
- No further managerial action is necessary.
- Control process is complete.
- Required standards not achieved :
- Extent of variation may differ from case to case, depends upon the type of activity.

Correction of deviation from the standards.

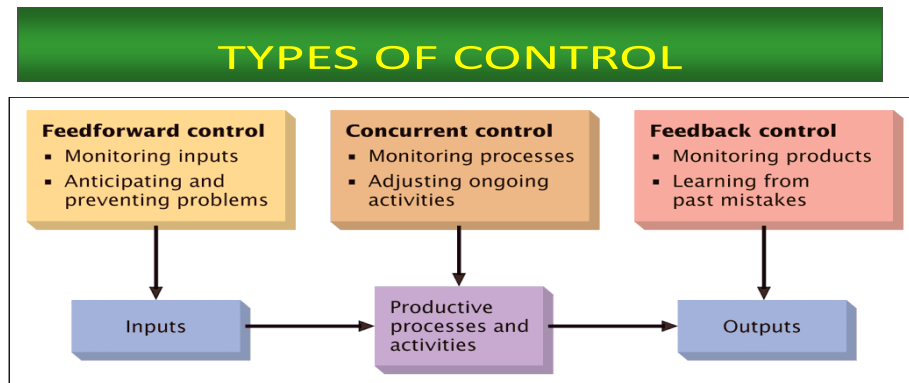
Actions should be taken to maintain the desired degree of control in the system or operation.

Control actions :

- Review of plans and objectiveness and change therein on the basis of such review.
- Change in the assignment of tasks.
- Change in existing techniques of direction.
- Change in the organization structure.
- Provision for new facilities.



8. Explain the different types of controlling? (or) Explain the different techniques used in controlling.



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9. What are the various techniques of coordination?

Types of Coordination Techniques.

SOUND PLANNING

Planning is the ideal stage for coordination. Clear cut objectives, policies and unified procedures and rules ensure uniformity of action.

SIMPLIFIED ORGANISATION

A simple and sound organization is an important means of coordination.

Clear cut authority relationships help to reduce conflicts and to hold people responsible.

SELF COORDINATION

Modification of functioning of department in such a way that each department coordinates with other departments, it can be done by horizontal communication.

EFFECTIVE COMMUNICATION

Open and regular communication is the key to coordination.

Effective interchange of opinions and information helps in resolving difference and in creation mutual understanding.

10. What is coordination? Explain the need of coordination. (or) nature and characteristics of coordination.

Co-ordination is the orderly synchronization of efforts to provide the proper amount, timing, and directing of execution in unified actions to a stated objective. Coordination is the management of interdependence in work situations. Coordination is the ability to perform smooth, accurate and controlled movements

Nature and Characteristic of Co-Ordination

Co-ordination is not a distinct function but the very essence of management.

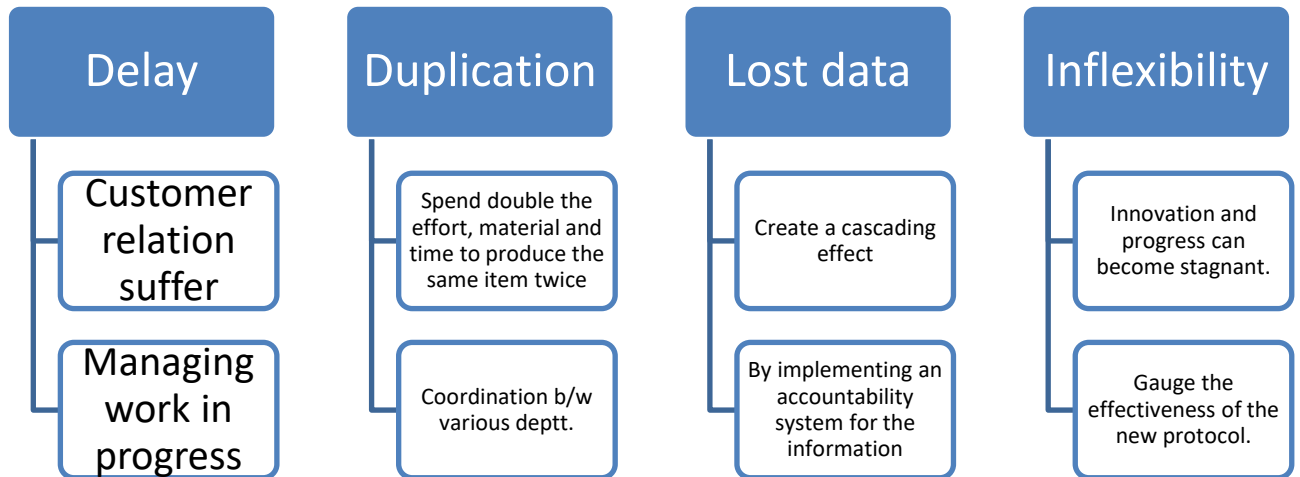
It is a basic responsibility of management.

Co-ordination does not arise spontaneously or by force.

Co-ordination is a continuous or an on going process.

Co-ordination is required in group efforts not in individual effort.

Lack of Coordination in an Organization leads to



MODULE 3: ENTREPRENEUR

1. Explain the classification of Entrepreneur. (or) Write and explain types of entrepreneur.

1. According to timing of venture creations

Early Starters

- Start venture with little or no full-time work experience
- Suhas Gopinath started his company Global INC at the age of 14, in USA as Indian laws do not permit a minor to run a company.

Experienced

- Spent a few yrs in family business or a large company.
- Usually, the venture is related to the same business as previously engaged in.
- Narayana Murthy together with his like minded professionals started Infosys at the age of 35 years

Mature

- Very senior professionals, some at the level of CEO
- Very high confidence and desire to do things in a way that may not be totally acceptable to their erstwhile employers.
- Ashok Soota and Subroto Bagchi quit Wipro to start Mindtree.

2. According to type of business

Business Entrepreneurs :

- Conceive an idea for a new product/service and then create business to materialize idea in reality.
- Tap both production and material resources to develop new business opportunity.
- Often small business entrepreneurs with small business units eg. Printing press, advertising agency, textile processing house, readymade garments

Trading entrepreneur

- Trading Activities not manufacturing work Identifies potential markets, stimulates demand and creates interest and demand among buyers to go in for his product.
- Can be engaged in both domestic & overseas trade.
- Whole sale trade, retail trade, Mall trading, exporters, importers, stock trading, real estate.

Industrial Entrepreneur

- Ability to convert economic resources and technology into profitable venture Essentially a manufacturer, identifies potential needs and starts industrial units for new products.
- Henry Ford (July 30, 1863 – April 7, 1947) was an American [industrialist](#), the founder of the [Ford Motor Company](#)
- John D. Rockefeller 1839-1937 John D. Rockefeller was the single most important figure in the foundation of the oil industry.

Corporate Entrepreneur

- Individual who plans, develops & manages a corporate body.
- Corporate body is a form of business organisation, one body of many individuals, large corporations, which are registered as separate legal entity under some statute or act eg. Company regd under companies act, or trust under trust act.

Agricultural entrepreneur

- Agricultural activities such as raising & marketing of crops, fertilizers and other inputs of agriculture.
- Motivated to raise the productivity through mechanization and technology.
- Plantation, horticulture, dairy, forestry, floriculture, animal husbandry, poultry, seeds.

3. According to use of technology

Technical Entrepreneur

- Concentrates more on production than marketing.
- Introduction techniques, innovations for production.

Non-technical Entrepreneur

- Not concerned with technical aspect of production, but developing alternative distribution strategies to promote their business.

Professional Entrepreneur

- Interested in establishing a business but does not have interest in managing or operating once it established.
- Professional entrepreneur sells out running business and starts another venture with the sales proceeds.
- Such an Entrepreneur is dynamic who conceives new ideas to develop new projects.

4. According to Motivation

Pure Entrepreneur

- These are those entrepreneurs which are only aim to earn money.
- Motivated by economic rewards.
- Undertakes entrepreneurial activities for personal; satisfaction in work, ego or status.

Induced Entrepreneur

- Induced to take entrepreneurship due to policy measures of the govt that provides assistance, incentives, concessions and overhead facilities to start ventures.
- Sometimes prospective entrepreneurs are induced or even forced by their special circumstance, such as loss of job or inability to find a suitable job according to their talent and merit to adapt to entrepreneurship.

5. According to stage of development

First-generation Entrepreneur

- One who starts not from family business
- Innovator, combining different skills and technologies to produce marketable products or service.

Modern Entrepreneur

- One who undertakes those ventures which go well along with changing demand and suit in the current marketing needs.

Women entrepreneurs

- Progressive laws & incentives have boosted women presence in entrepreneurial activities in diverse fields.
- Kiran Majumdar Shaw founded Biocon, which is now a leading Biotech firm in India.
- Indra Krishnamurthy Nooyi (born 28 October 1955) is an Indian-American business executive and the current Chairperson and Chief Executive Officer of PepsiCo, the second largest food and beverage business in the world by net revenue.

- Indu Jain belongs to the Sahu Jain family and is the current chairperson of India's largest media group, Bennett, Coleman & Co. Ltd., which owns the Times of India and other large newspapers.
Social Entrepreneurs
- Social entrepreneur is one who recognizes the part of society which is stuck and provides new ways to get it unstuck.
- Chetna Sinha founded chairperson, Mann Deshi Mahila Sahkari Bank, a micro finance bank which lends to women in rural areas.
- Verghese kurien of Amul,
IT Entrepreneurs
- An Internet entrepreneur is an entrepreneur, an owner, founder or manager of an Internet based business enterprise who makes money through risk and/or initiative..
- Mark Elliot Zuckerberg (born May 14, 1984) is an American computer programmer, Internet entrepreneur. He is best known as one of five co-founders of the social networking website Facebook
- Jeffrey Preston "Jeff" Bezos born January 12, 1964 is an American Internet entrepreneur and investor. He is a technology entrepreneur who has played a key role in the growth of e-commerce^[6] as the founder and CEO of Amazon.com, an online merchant of books and later of a wide variety of products

2. Explain the process involved in entrepreneurial process. (or) Explain the stages in Entrepreneur process.

Steps in the Entrepreneurial Process

1. Discovery

The stage in which the entrepreneur generates ideas, recognizes opportunities, and studies the market. An idea is a concept for a product or service that does not exist or is not currently available in a market . It may be a brand-new concept or an improvement of a current product or service. In contrast, an opportunity is an idea for a new product or service with a market that is willing to pay for that product or service so that it can form the basis of a profitable business. Innovation is the process of making changes to something that adds value to customers.

Techniques For Generating Ideas

Brainstorming, Focus Groups, Surveys, Other Techniques, User groups, Trade shows, Suppliers

Three Ways to Identify An Opportunity



Observing Trends

- The first approach to identifying opportunities is to observe trends and study how they create opportunities for entrepreneurs to pursue.

- There are two ways that entrepreneurs can get a handle on changing environmental trends:
 - They can carefully study and observe them.
 - They can purchase customized forecasts and market analyses from independent research firms.

Social Forces

- Changes in social trends provide openings for new businesses on an ongoing basis.
- The continual of fast-food restaurants, for example, isn't happening because people love fast food. It is happening because people are busy, and have disposable income.
- Similarly, the Sony Walkman was developed not because consumers wanted smaller radios but because people wanted to listen to music while on the go.

Technological Advances

- Given the rapid pace of technological change, it is vital that entrepreneurs keep on top of how new technologies affect current and future business opportunities.
- Entire industries have emerged as the result of technological advances.
 - Examples include the computer industry, the Internet, biotechnology, and digital photography.
- Once a new technology is created, new businesses form to take the technology to a higher level.
 - For example, Real Networks was started to add audio capability to the Internet.
 -

Political and Regulatory Changes

- Political and regulatory changes provide the basis for new business opportunities.
 - For example, laws that protect the environment have created opportunities for entrepreneurs to start firms that help other firms comply with environmental laws and regulations.

Similarly, many entrepreneurial firms have been started to help companies comply with the Sarbanes-Oxley Act of 2002. The act requires certain companies to keep all their records, including e-mail messages and electronic documents, for at least five years

Second Approach: Solving a Problem

Sometimes identifying opportunities simply involves noticing a problem and finding a way to solve it. These problems can be pinpointed through observing trends and through more simple means, such as intuition, or chance.

Entrepreneur(s)	Year	Problem	Solution	Name of Business That Resulted
Rob Glaser	1995	No way to play audio and video on the Internet	Developed software to play audio and video on the "Net"	RealNetworks
Fred Smith	1973	Inability to get spare parts delivered on a timely basis for his company, a jet aircraft sales firm	Started a new company to help others get packages delivered in a timely manner	Federal Express (now called FedEx)
Jerry Yang and David Filo	1994	No method to find or organize favorite Web sites	Created online directories to find and store favorites	Yahoo!

Third Approach: Finding Gaps in the Marketplace

Gaps in the Marketplace

- A third approach to identifying opportunities is to find a gap in the marketplace.
- A gap in the marketplace is often created when a product or service is needed by a specific group of people but doesn't represent a large enough market to be of interest to mainstream retailers or manufacturers.
 - This is the reason that small clothing boutiques and specialty shops exist.

2. Concept Development

Develop a business plan: a detailed proposal describing the business idea

- A business plan is a document that outlines your plan for initiating and operating a business
- It provides a path to follow
- It makes it easy to let your banker and accountant evaluate your aim, task and objectives
- It can serve as a communications tool for informing salespeople, suppliers, and others about your operations and goals
- It can help you develop as a manager

A trademark is a word, phrase, symbol or design, or a combination of words, phrases, symbols or designs, that identifies and distinguishes the source of the goods of one party from those of others A copyright protects works of authorship, such as writings, music, and works of art that have been tangibly expressed. A patent for an invention is the grant of a property right to the inventor, issued by the Patent and Trademark Office

3. Resourcing

The stage in which the entrepreneur identifies and acquires the financial, human, and capital resources needed for the venture startup, etc

- Identify potential investors
- Apply for loans, grants and assistance
- Hire employees

4. **Actualization** The stage in which the entrepreneur operates the business and utilizes resources to achieve its goals/objectives.
5. **Harvesting**
The stage in which the entrepreneur decides on business's future growth/ development, or demise
Three ways:
 1. Sell your business,
 2. Take it public (Initial Public Offering) or
 3. Merge it with another.

3. What are the barriers of Entrepreneurs?

ENVIRONMENTAL BARRIERS

Raw-Material
Labour Machinery
Land & Building
Financial Barriers
Other Infrastructure Requirements

PERSONAL BARRIER

Lack of Confidence
Lack of Motivation
Lack of Patience
Inability to Dream
Lack of Dependability on Others

The process could not be taken up due to several reasons –

Lack of Capital
Non availability of raw material and resources
Government regulations
Lack of technology or idea
Unstable and unpredicted market
Globalization and entry of foreign goods
Risk
Lack of Technical Knowledge

4. List out the characteristics & Qualities of an Entrepreneur.

Characteristics of Entrepreneur

Action oriented , highly motivated and ready to take risk at all levels to achieve the objective
Should have commitment
Creativeness and result oriented, hard working
Accepts responsibilities with enthusiasm
Self confident, dedicated and self disciplined
Intelligent , imaginative and self directed

Qualities of Entrepreneur

Success and achievement

Risk Bearer – he accepts risk, understand and manage risks

Opportunity explorer – He always identifies opportunity and explores them

Planner – He is a good planner, he plans and follows the plans sincerely to achieve objectives

Stress taker – He should accept and bear any amount of stresses that may evolve in the business

Facing uncertainties – They should face the uncertainty and unexpected outcomes and accept them

Independent – He is an independent person and likes to be his own master, he is a job given and not job seeker

Motivator – He initiates and influences people, motivates the people to accomplish the objectives

Flexible – He is an open minded person, flexible to adopt to demanding situational changes

5. Differentiate between Entrepreneur, Intrapreneur and Manager

Point	Intrapreneur	Entrepreneur	Manager
1.Task Management	Independent , Innovates new ideas	Independent, starts new ventures	Supervisors more than direct involvement
2. Status	Not concerned about status, but wants recognition	Not concerned about status	Concerned about status symbol
3. Risk	Owens moderate risk	Bears all the risks and uncertainty	Does not bear any risk
4. Rewards	Gets fixed rewards for his work, may get extra fro his innovations	Since there is risk , he may get profits or loss depending on outcome	Works for salary which is fixed
5. Innovation	Innovative	Very Innovation	Need not be Innovative , he manages the ideas of Task Management
6. Decision Making	Moderate, Limited to his work	Very much involved in Decision Making	Implements the decisions of Task Management

Entrepreneur and Entrepreneurship

Entrepreneur	Entrepreneurship
Person	Process
Visualizer	Vision
Organizer	Organization
Decision maker	Decision Making
Innovator	Innovation
Risk bearer	Risk bearing
Motivator	Motivation
Creator	Creation
Leader	Leadership
Manager	Management
Initiator	Initiation
Planner	Planning
Technician	Technology
Communicator	Communication
Administrator	Administration

6. Explain evolution of entrepreneurship & development of entrepreneurship.

A Brief History Of Entrepreneurship

Earliest Period - Marco polo , as a go-between was an Italian. He wants to trade routes to the far East. As a go-between, He had to sign a contract with a money person to sell his goods. In the contract merchant-adventurer took a loan at 22.5% rate including insurance. When the merchant-adventurer successfully sold the goods and completed the trip, the profits were divided with the capitalist taking most of them(upto 75%), while the merchant-adventurer settled for the remaining 25 %.

Middle Ages - Entrepreneur used to describe both as an actor and a person who managed large production projects. Individuals did not take any risks because all the resources used to provided by the government of the country, all an entrepreneur should do is to manage it. A typical entrepreneur in the middle age was the priest. The person in charge of great architectural works used to build castles and fortifications, public buildings, abbeys, and cathedrals.

17th Century - The connection of the risk with entrepreneurship developed in the 17th century.

- ❖ An entrepreneur was a person who entered into a contract with the government to perform a service or to supply stipulated products.
- ❖ John law, a frenchman was one of the entrepreneur in that period.
- ❖ The founder of the royal bank of France and the Mississippi Company, which had an exclusive franchise to trade between France and the new world.

18th Century - In the 18th century, the person with capital was differentiated from the one who needed capital.

- ❖ The entrepreneur was distinguished from the capital provider.
- ❖ One reason for this differentiation was the industrialization occurring throughout the world.
- ❖ Thomas Edison, the inventor of many inventions. He was developing new technologies and was unable to finance his inventions himself.
- ❖ Edison was a capital user (an entrepreneur), not a provider (a venture capitalist).

19th Century & 20th Century - In the late 19th and early 20th centuries, entrepreneurs were frequently not distinguished from managers and were viewed mostly from an economic perspective.

- ❖ The entrepreneur organizes and manages an enterprise for personal gain.
- ❖ The materials consumed in the business, for the use of the land, for the services he employs, and for the capital he requires.

7. Who are entrepreneur? Discuss the scope of entrepreneurship in India.

Entrepreneur – meaning of entrepreneur, types of entrepreneurship, stages of entrepreneurial process, role of entrepreneurs in economic development, entrepreneurship in India, barriers to entrepreneurship. Identification of business opportunities- market feasibility study, technical feasibility study, financial feasibility study and social feasibility study.

Meaning of entrepreneur - A person who takes the risk of converting a new idea into reality. One who creates a new business in the face of risk or uncertainty for the purpose of achieving profit and growth by identifying opportunities and assembling the resources to capitalize on those opportunities.

“An entrepreneur is one who always searches for changes responds to it and exploits it as an opportunity”. An entrepreneur is a highly task oriented, enthusiastic and energetic individual.

Entrepreneurship in India

- Entrepreneurship in India is the effort of great people as well as professionals.
- It started with family business around 1850 with the starting of cotton mill in bombay
- From then Entrepreneurship had grown in all directions from cotton mill to electronic goods, health care, IT, Transport, space technology , education etc...

Some of the highly talented entrepreneurs of India are –

- J.R.D.Tata
- Aditya Birla
- Azim premji of Wipro
- Narayana Murthy of Infosys
- Dhirubai Ambani of Reliance
- K.Patel of Nirma

8. Describe role of entrepreneurs in economic development. Explain the development of entrepreneurship.

Entrepreneurs in economic development

Generation of employment.

Improvement in income.

Reduces concentration of wealth.

Balanced regional development.

Improvement in standard of living.



Development of entrepreneurship.

Government in country has come up with various institution for supporting SSI they are National institute for entrepreneurship and small business development (NIESBUD) was established in 1983 by the ministry of micro, small and medium enterprise.

Entrepreneurship development institute in India (EDI) an autonomous body and non profit institution set up for supporting SSI in country .

Incubation facility :

Premiere business schools and technical institution in India have entrepreneurship centres which provide incubation facility to start up small scale unit. Incubator is facility

designed to assist start up companies with respect to providing knowledge and technical assistance.

Educational programs :

Entrepreneurship is becoming a popular choice as an elective in MBA programs at business schools in India. In addition to educational programs there are some business schools which provide certification programs and training to candidates intending to start up their own business.

Entrepreneurship networks :

Refers to association formed by successful entrepreneurs where by becoming member of such association a fresher's will get some guidance and assistance to start up their own business.

E.g.

- **TiE -The Indus Entrepreneurs** is a non-profit,. global community welcoming entrepreneurs from all over the world. We believe in the power of ideas to change the face of entrepreneurship and growing business through our five pillars; mentoring, networking, education, incubating and funding. TiE was founded in 1992 by a group of successful entrepreneurs and is currently the world's largest entrepreneurial organization out there.
- **National entrepreneurship network (NEN)** founded in 2002 is the non profit initiative working to inspire and educate emerging entrepreneurs in company.

9. Explain the feasibility study for identification of business opportunity. (or) explain the technical and financial feasibility study.

A feasibility study is the process that every person or company should do before starting any project. A successful feasibility study may be accepted or rejected. It helps avoid risk and answers questions, like: Will it work ? How will it work ? What is needed ? When is the best time ? How much investment is needed ? What will the return be ? .

A feasibility study is a study looks at the viability of an idea with an emphasis on identifying potential problems and attempts to answer one main question: Will the idea work Should you proceed with it

To understand the gap between demand and supply the following analysis is necessary –

Market feasibility study - Includes a description of the industry, current market, Target market , market share, anticipated future market potential, competition, selling price, sales projections, potential buyers, Demand, etc.

Technical feasibility study - Details how you will deliver a product or service (i.e., materials, Machinery, labor, transportation, Staff requirement, where your business will be located, technology needed, etc.). Production process includes input, processing and output.

Financial feasibility study - Projects how much start-up capital is needed, sources of capital, returns on investment, Break even analysis, Return of investment, Cost of manpower & technology, proposed balanced sheet etc.

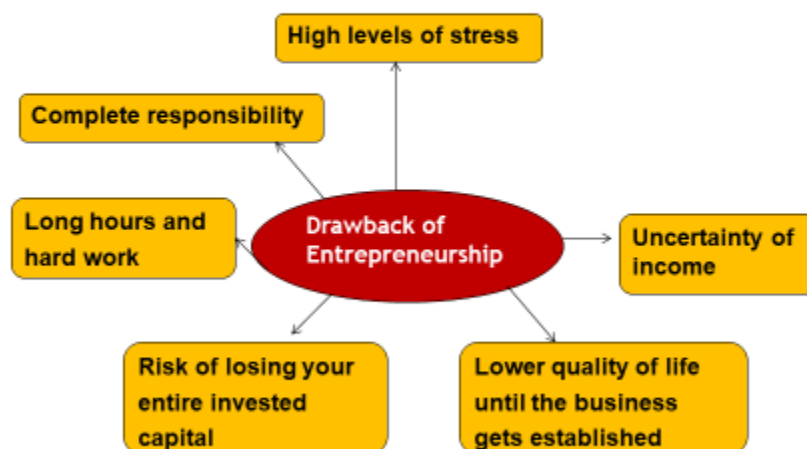
Social feasibility study - Defines the study of social environment like Location, Social problems and Pollution.

10. Explain the benefits and drawbacks of Entrepreneurship.

Benefit of Entrepreneurship



Drawback of Entrepreneurship



MODULE 4: PREPARATION OF PROJECT AND ERP

- 1. What is project report? Explain guidelines provided by planning commission for the preparation of project report. (or) Explain the need and significance of project report. (or) What is a project report? Why is it needed? (or) What are the guidelines by planning commission for a project report? Explain.**

Project report A Project report is a written document pertaining to the investment proposal. It is basically a document which explains the road map to reach the destination, as determined by the entrepreneur.

Need of Project report-

- 1.It serves as a road map describing the direction of enterprises its goal to achieve them.
- 2.It also serves to attract investors & lenders.

The Project Report is an Outcome of an exercise meant to check the viability of an Enterprise & analyze & firm up its essential parameters. In other words, Project Report or Business Plan is a Written Document of what an Entrepreneur proposes to take up & his course of action to establish his Enterprise. The Project Report serves like a ***Road Map*** to reach the Destination determined by the Entrepreneur. Thus, a Project Report can best be defined as a well evolved course of action devised to ***achieve the Specified Objectives within a specified period of time.***

The documentation of a project's scope explains the boundaries of the project, establishes responsibilities for each team member and sets up procedures for how completed work will be verified and approved. The documentation may be referred to as a scope statement, statement of work (SOW) or terms of reference.

During the project, this documentation helps the project team remain focused and on task. The scope statement also provides the project team leader or facilitator with guidelines for making decisions about change requests during the project. It is natural for parts of a large project to change along the way, so the better the project has been "scoped" at the beginning, the better the project team will be able to manage change.

When documenting a project's scope, stakeholders should be as specific as possible in order to avoid scope creep, a situation in which one or more parts of a project ends up requiring more work, time or effort because of poor planning or miscommunication. Effective scope management requires good communication to ensure that everyone on the team understands the scope of the project and agrees upon exactly how the project's

goals will be met. As part of project scope management, the team leader should solicit approvals and sign-offs from the various stakeholders as the project proceeds, ensuring that the finished project, as proposed, meets everyone's needs.

Need & Significance of a Project Report :

“An Objective without a Plan is a Dream”

The Preparation of a Project Report is of great significance for the Entrepreneur in his business. There is a variety of purposes which a Project Report or a Business Plan will fulfill. Hence, it is needed in Modern Business.

These purposes of report are as follows :

- ✓ Its helps an Entrepreneur judge the profitability of a given enterprise proposal. If it reveals a proposal to be unviable, the Entrepreneur ***will avoid a grave error of investing in an Unsound Venture.***
- ✓ It is the basis for a Development Bank to sanction Long Term Financial Assistance & a Commercial Bank to provide Working Capital Assistance
- ✓ It aids the process of firming up Technical Arrangement , Choosing a Location, Selecting Plant & Machinery, Determining Man Power , & Utility needs etc etc.. reqd for Project Implementation.
- ✓ It generates a Knowledge Base for the Entrepreneur concerning such diverse facets as Structure of Enterprise – Industry, Market, Raw Material supply & Technology etc.
- ✓ It educates the Entrepreneur regarding the Degree of Risk underlying the Enterprise Proposal.
- ✓ *It brings into sharp focus the Key Performance Determinants in the chosen line of Business & thus makes the Entrepreneur realize the need to pay special attention to such determinants.*

Guidelines by planning commission for a project report

The summary of the guidelines by planning commission are presented here. General information: The feasibility report must include the analysis of the industry to which it belongs. The report should deal with description of type of industry, its priority, past performance, increase in production, role of public sector, technology, allocation of funds and information about the enterprise. Preliminary Analysis of alternatives The details like gap between demand and supply of proposed products, availability of capacity, list of all existing plants in industry, indicating their capacity, level of production attained, list of present projects and list of proposed projects. All technically feasible options are considered here. Location of plant/ project, requirement of any

foreign exchange, profitability, return on Investment, alternative cost calculations etc., are to be presented. Project Description The feasibility report should provide a brief description of the technology/process selected for the project, information pertaining to the selection of optimal location, population, water. Land, environment, pollution and other environmental problems etc., are to be provided. The report should contain details of operational requirements of the plant, requirement of water, power, personnel, land, transport, construction details for plant and offices etc. x Marketing plan: The details like marketing plan, demand, target price of product, distribution methods etc., are to be presented.

2. Write a note on project identification and project selection. (or) What is project identification? Explain the sources of information for project identification. (or) What is project selection? Explain factors influencing it. (or) Explain the phase of project identification with sources.

Project identification

So, we can say that every Project has a starting point, an end point with specific objectives. Identification of projects or search for Project ideas is a beginning. It is the first & most important step in the actual entrepreneurial journey. Well begun is half done. So, the success or failure of an enterprise is built, to an extent on a suitable Project Identification & Selection.

- ▶ Establishing yourself as a successful entrepreneur depends to a great extent upon choosing a Good Project or Idea.
- ▶ That idea must not only be good for the Market but also be good for the Project & good for the Entrepreneur. Most important, the idea should give satisfying results.
- ▶ The Project Ideas can be discovered from various internal & external sources. These may include :
 - a) Knowledge of Potential Customer Needs.
 - b) Watching Emerging Trends in Demand for certain Products / Services & their market size & potential.
 - c) Scope for producing substitute products which is economical & having better features.
 - d) Going through various Professional Magazines / Journals catering to specific interests like Computers, Electronics & Telecommunication, Mech, Electrical, Chemicals, etc.
 - e) Success Stories of Known Entrepreneurs or friends or relatives.
 - f) Visiting National & International Trade Fairs & Exhibitions displaying New Products & Services.
 - g) Meeting Technical / Industrial Consultants.

h) *New Product(s) introduced by other enterprises etc*

All of these Sources put together may give a few Ideas about the possible projects to be examined as the Final Project. This Process of identifying Project Ideas is referred to as “*Opportunity Scanning & Identification.*”

After going thro the above process, assume that you have been able to get Seven Project Ideas as a result of the above analysis.

From the Seven Project Ideas you have in mind, finally you have to decide & choose the One Most Appropriate & Potential Project idea going thro the *following Selection Process*

There are two major approaches to project identification

Top-down approach

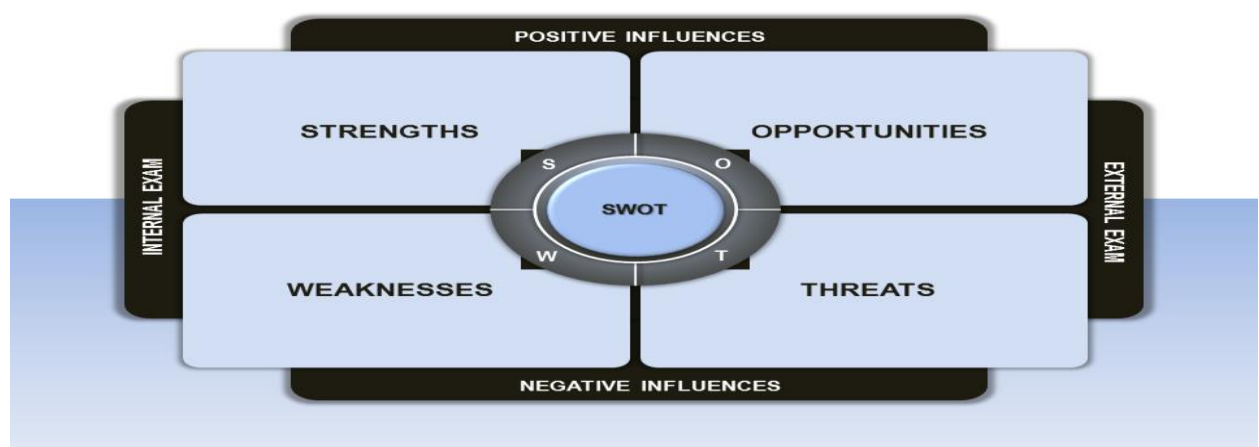
Projects are identified based on demands from beyond the community.

Bottom-Up Approach

In this approach community/beneficiaries are encouraged to identify and plan the projects themselves with or without outsiders.

Project Selection

Project selection is the process of evaluating individual projects or groups of projects, and then choosing to implement some set of them so that the objectives of the parent organization will be achieved. The proper choice of investment projects is crucial to the long-run survival of every firm. Daily we witness the results of both good and bad investment choices. After deciding on a few Project ideas, the Entrepreneur has to *finally* select, One Project Idea most suited depending on the following criteria. A tool generally used for this purpose is called as “**SWOT**” Analysis is done.



A few Important Criteria are listed below for project selection process :

Investment Size :

- ▶ This is a very important criterion to decide success or failure of the Project.
- ▶ The Entrepreneur should assess the Economical Size of the Plant & the Total Investment reqd & should assess his Financial Capability to pool in at least about 25 % of the Investment reqd for the Project.
- ▶ Entrepreneur therefore, ***should select only such Projects which are within his financial resources***. You cannot establish an Enterprise only on borrowed funds & this may lead to severe financial problems in the Initial Stages of the Project Implementation itself.

Location :

- ▶ Location chosen should have Good Infrastructural Facilities like - Good Approach Road
Transportation Facilities
Communication Facilities
Availability of Power
Water & reqd Labor

Technology :

- ▶ The Project chosen should not be for a Product which requires sophisticated technology, necessitating Foreign Technical Collaboration. It is better to go in for a Product with a proven technology that is available & where the Entrepreneur himself is well versed with the reqd technology.

Plant & Machineries :

- ▶ When deciding on a Project, the Entrepreneur should assess the availability of High Quality Plant & Machineries.
- ▶ As far as possible, a New First Project by the Entrepreneur should not be planned on Imported Plant & Machineries because of the problems & delays invariably associated with Imports.
- ▶ This may lead to Cost Escalation of the Project, & may affect the implementation schedule of the Project.
- ▶ One should remember that one should not compromise on the Quality of the Equipment even if there are little expensive in the beginning , as they will pay back in the Long Run due to uninterrupted working.
- ▶ Cheap Poor Quality equipment leads to frequent breakdowns.

Marketing :

- ▶ The Success of any Enterprise finally depends on Marketing Capability of ones Goods / Products / Services.
- ▶ It is not advisable to get into a Project ***particularly the first***, which would mean survival amidst Cut Throat Competition involving Direct Selling to a large number of Ultimate Customers. One should go in for Products with a Limited Number of established Industrial Customers.

3. Define the term project. What are the features of a project?

Meaning of project, project identification, project selection, project report, need and significance of report, contents, formulation, guidelines by planning commission for project report.

Enterprise Resource Planning: Meaning and Importance- ERP and Functional areas of Management – Marketing / Sales- Supply Chain Management – Finance and Accounting – Human Resources – Types of reports and methods of report generation

Meaning of project- The very foundation of an enterprise is the Project. Hence, the Success or Failure of an enterprise largely depends upon the Project. In Simple Words, a Project is an Idea or a Plan that is *intended* to be carried out. The dictionary meaning of Project is that it is a Scheme of something intended to be done ; a Proposal for an Undertaking, design, speculative imagination etc.

Few other definitions of “Project.”

Definition 1 : The World Bank has defined Project as an approval for a capital investment to develop facilities to provide Goods & Services.

Definition 2 : A Project is an appraisal for Investment with the definite aim of producing a flow of Output over a specified period of time.

Definition 3 :

A Project is defined as the whole complex of activities involved in using resources to gain benefits.

Definition 4 :

A Project can be defined as a Scientifically evolved work plan devised to achieve a specific objective within a specified period of time etc.

After examining all the above definitions of a Project, *it is important to note that while projects can differ in their size, nature, objectives, time duration & complexity , yet they have the following Three Attributes :*

- 1) A Course of Action.
- 2) Specific Objective.
- 3) Defined Time perspective (period).

4. Explain the factors which are to be considered for preparation of a good project report. (or) What are the contents of —Project Report? Explain. (or) List the various components of a project report.

The Project Report is a Business Plan, this is an Outcome of an exercise meant to check the viability of an Enterprise & analyze & firm up its essential parameters.

In other words, Project Report or Business Plan is a Written Document of what an Entrepreneur proposes to take up & his course of action to establish his Enterprise.

The Project Report serves like a *Road Map* to reach the Destination determined by the Entrepreneur. Thus, a Project Report can best be defined as a well evolved course of action devised to *achieve the Specified Objectives within a specified period of time*.

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Contents of a Project Report :

A Project Report needs to be done / prepared with great care & consideration. The Important Contents of a Good Project Report are given below :

a) General Information :

Information on Product Profile & Product Details.

b) Promoter(s) :

His / Her / Their Educational Qualification , Work Experience , Project related experience, special achievements.

c) Location :

Exact proposed location of the Project, lease or freehold, locational advantages.

d) Land & Building :

Land areas, built up area, type of construction, cost of construction, detailed plan & cost estimate along with Plant layout.

e) Plant & Machinery :

Details of Machinery reqd , Capacity, Suppliers, Cost, Various Alternatives Available, Cost of other Miscellaneous Assets.

f) Production Process :

Description of Production Process , Process Chart, Technical Know How, Technology Alternatives Available, Production Programme etc.

g) Utilities :

Water , Power, Steam, Compressed Air Requirements, Fuel, Coal / Oil etc., Cost Estimates, Sources of Utilities.

h) Transport & Communication :

Mode, its associated Costs.

i) Raw Material :

List of Raw Materials reqd by Quality & Quantity , Sources of Procurement, Cost of Raw Materials, Tie Up Arrangements, if any , for Procurement of Raw Materials, Alternative Raw Materials , if any.

j) Man Power :

The Requirement such as Skilled, Semi Skilled, & Un Skilled (Helpers), Places of Manpower Availability, requirement of Training & its Cost.

k) Products :

Product Mix, Product Standard, Estimated Production & Sales Figures, Alternative Product Substitutes , if any.

l) Market :

End – Users of Products, Distribution of Market as Local, National, International, Trade Practices, Sales Promotion devices etc..

m) Requirement of Working Capital :

Working Capital Req'd , Sources of Working Capital, need for Collateral Security, Nature & extent of Credit facilities offered & available.

n) Requirement of Funds :

Break up of Total Project Cost in terms of Costs of Land, Building, Plant & Machinery, Misc. Fixed Assets, Preliminary & Pre -Operative Expenses, Contingencies & Margin Money for Working Capital, Financial Arrangements for meeting the Cost of Setting up of the Project.

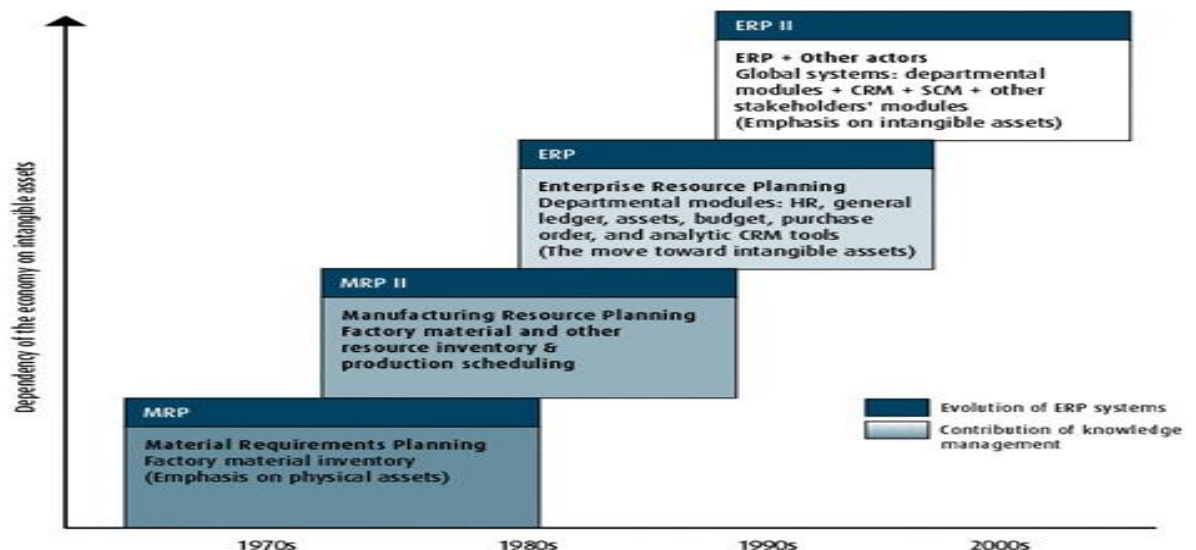
o) Cost of Production & Profitability of first five years, Break Even Analysis, Schedule of Implementation etc etc...

5. What is ERP? Explain its importance.

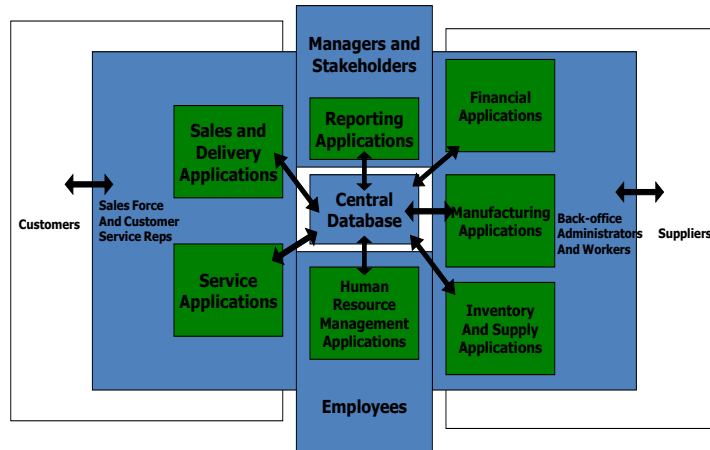
Enterprise Resource Planning –ERP

- ▶ The practice of consolidating an enterprise's planning, manufacturing, sales and marketing efforts into one management system.
- ▶ Combines all databases across departments into a single database that can be accessed by all employees.
- ▶ ERP automates the tasks involved in performing a business process.

▶ Evolution of ERP



How Do ERP Systems Work?

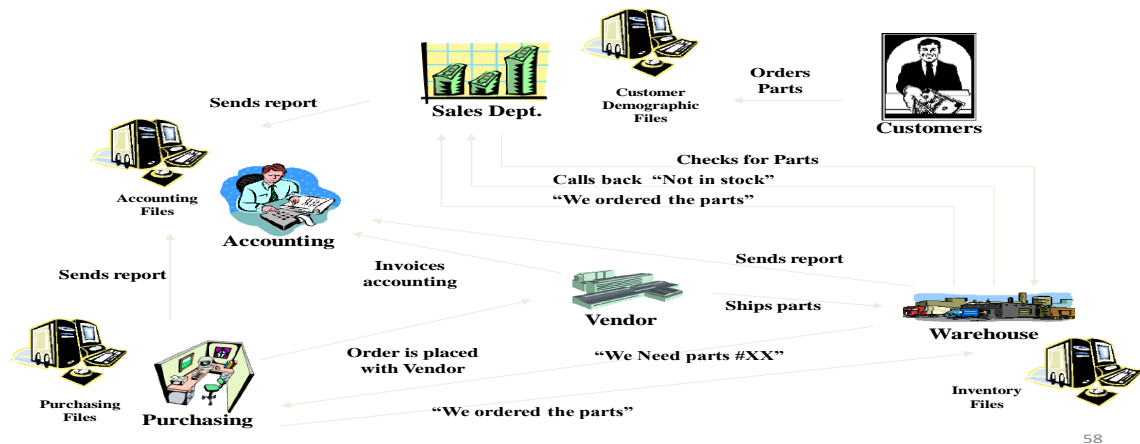


ERP Components

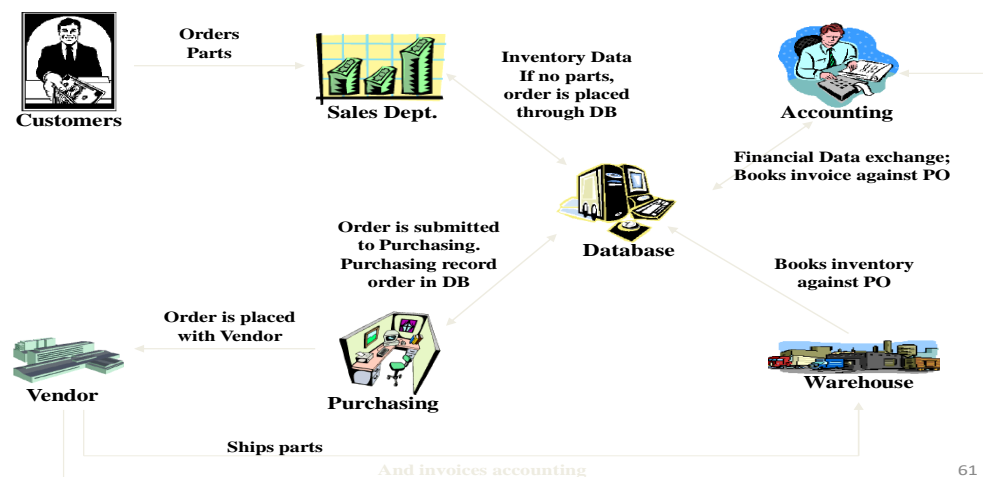
- Finance: modules for bookkeeping and making sure the bills are paid on time. Examples:
 - General ledger
 - Accounts receivable
 - Accounts payable
- HR: software for handling personnel-related tasks for corporate managers and individual employees. Examples:
 - HR administration
 - Payroll
 - Self-service HR

- Manufacturing and Logistics: A group of applications for planning production, taking orders and delivering products to the customer. Examples:
- Production planning
- Materials management
- Order entry and processing
- Warehouse management

An ERP Example: Before ERP



An ERP Example: After ERP



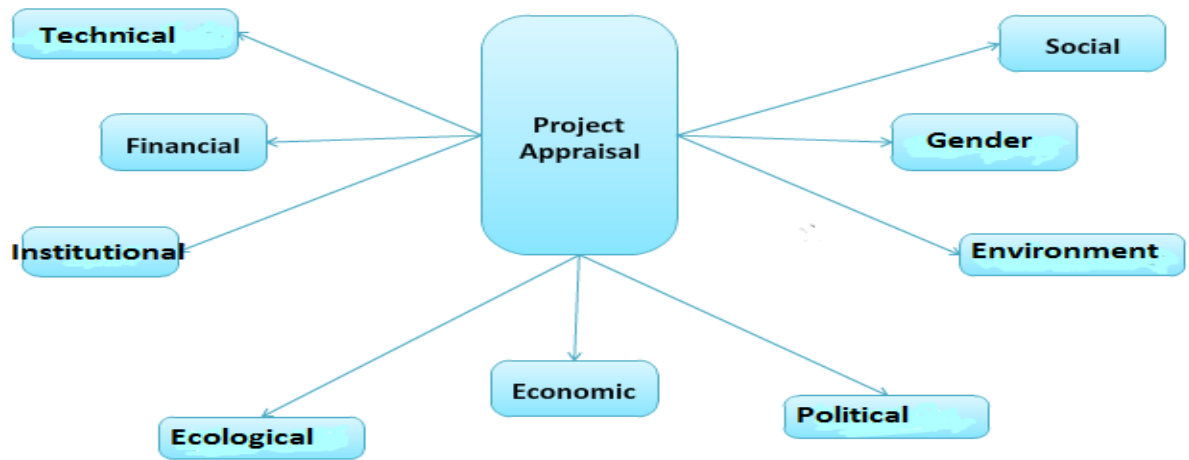
Main ERP vendors

- Baan
- JD Edwards
- Oracle
- PeopleSoft
- SAP

6. What is project appraisal?

- Project appraisal is the process of assessing and questioning proposals before resources are committed.
- When is it done:
 - After preparation and design of the project
- What is project appraisal:
 - Provides a comprehensive and systematic review of all aspects of the project
- Why the project Appraisal is Needed:
 - To development and successful completion of projects
- Appraise your identified projects in terms of the following:
 - Technical analysis
 - Economic Analysis
 - Financial Analysis
 - Environmental Analysis, and
 - Social Analysis
 - Gender Analysis
 - Ecological Analysis
 - Political

Aspects of Project Appraisal



Technical Appraisal Will the project Work?

- ▶ Availability of the required quality and quantity of raw material.
- ▶ Availability of utilities like power and water etc
- ▶ Follows anti pollution laws
- ▶ Financial Appraisal
- ▶ Can the project be financed properly?
- ▶ Will there be sufficient funds to cover the expenditure requirements during the life of the project?
- ▶ Means of financing
- ▶ Social Aspects
- ▶ What will be the effect of the project on different groups? At
- ▶ Individual
- ▶ Household and
- ▶ Community levels
- ▶ How will the project impact on women and men?

- ▶ Environmental Appraisal
- ▶ Will the project have any adverse effect on the environment?
- ▶ Have remedial measures been included the project design?
- ▶ Ecological & Political Appraisal
- ▶ Environmental Damage.
- ▶ Will the project be compatible with government policy, at both central, regional and local level?

7. Write about project formulation process.

- It is a process whereby the entrepreneur makes an objective and assessment of various aspects of an investment proposition of a project idea for determining its total impact and also its liability. Selection of appropriate technology, Influence of External risks
Resource mobilization, Knowledge about Government Regulations. Project formulation is the best passport for obtaining the required assistance from financial institutions. It will also be of great assistance for obtaining necessary Government clearances and in meeting the hurdles of procedure formalities. It will pinpoint the matters for which government sanctions have to be obtained. It will provide an independent assessment of the feasibility of obtaining the sanctions based on the existing government policies.

General objectives: States in broad terms the achievement expected out of a project.

Operational objectives: Specifically mentions the results expected from the implementation of the project.

7 STAGES OF PROJECT FORMULATION

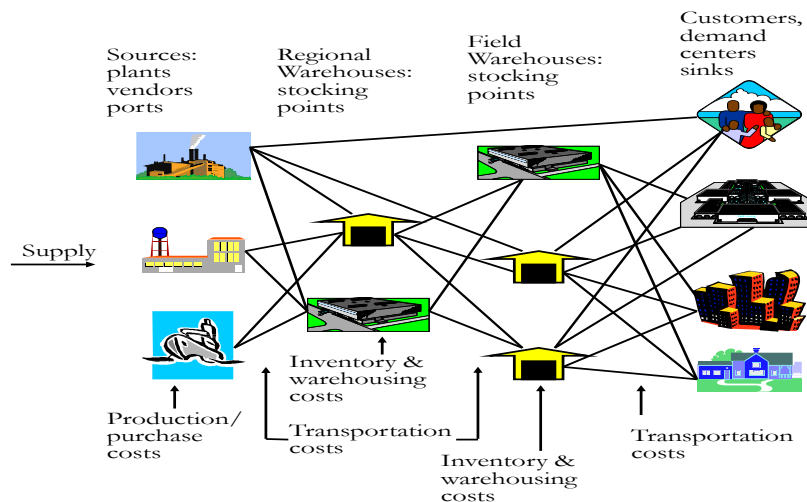
- ▶ **Feasibility analysis** The project idea is examined whether to go for detailed investment proposal or not. It is done in the context of internal & external constraints. A market analysis is done. If the project idea is feasible, we go for second step or else abandon the idea.
- ▶ **Techno-economic analysis**- Estimation of project demand potential & choice of optimal technology are made. Market analysis is in-built in this step. This stage gives the project a unique individuality & sets the stage for detailed design development.
- ▶ **Project design & network analysis**- Heart of the project. Defines individual activities and their inter relationship with each other. The sequence of events of project is presented. Detailed work plan of the project is prepared with time allocation for each activity and presented in a network drawing.
- ▶ **Input analysis**- Assesses the input requirement during the construction & operation of the project. Quantitative & qualitative assessment. Determines project feasibility from the point of view of resource requirements. It helps in financial & cost benefit analysis.
- ▶ **Financial analysis**- Estimates project cost, operating cost and fund requirements. Aids the decision maker by comparing various project proposals. It is necessary to exercise due care and foresight in financial forecasts.

- ▶ **Social cost benefit analysis**- Overall worth of the project is the main consideration. The project design forms the basis of evaluation. it considers costs that all entities have to bear and the benefit connected to it.
- ▶ **Project appraisal/Pre-investment analysis** - The project proposal gets a formal and final shape at this stage. All results obtained in the above steps are consolidated and arrived at various conclusions. Project sponsoring body, implementing body and external consulting agencies decide whether to accept the project or not. Investment decision is taken.

8. Explain about supply chain management.

Supply Chain Management

- A supply chain is the system of organizations, people, activities, information and resources involved in moving a product or service from supplier to customer.
- An integrated group of processes to “source,” “make,” and “deliver” products. Supply chain activities transform raw materials and components into a finished product that is delivered to the end customer.
- **Supply Chain Management** encompasses every effort involved in producing and delivering a final product or service, from the supplier’s supplier to the customer’s customer.
- **Supply Chain Management** includes managing supply and demand, sourcing raw materials and parts, manufacturing and assembly, warehousing and inventory tracking, order entry and order management, distribution across all channels, and delivery to the customer. Supply Chain Management deals with the management of materials, information, and financial flows in a network consisting of suppliers, manufacturers, distributors and customers.
- Logistics involves “managing the flow of items, information, cash and ideas through the coordination of supply chain processes and through the strategic addition of place, period and pattern values.



Supply Chain Management –

SCM is all about effective integration of...

Right Product



At Right Place



Right Quantity



At Right Time



Right Quality



At Right Value



4

Key Observations of Supply Chain Management

► Integrated activity:

- * Among functions such as logistics, manufacturing, distribution, design/engineering, marketing, finance, etc.
- * Multiple organizations, i.e., suppliers, customers & providers
- * Coordination of conflicting goals, metrics, etc.

► Responsible for multiple flows:



- * Information (orders, status, contracts)
- * Physical (finished goods, raw material, w.i.p.)
- * Financial (payment, credits, etc.)

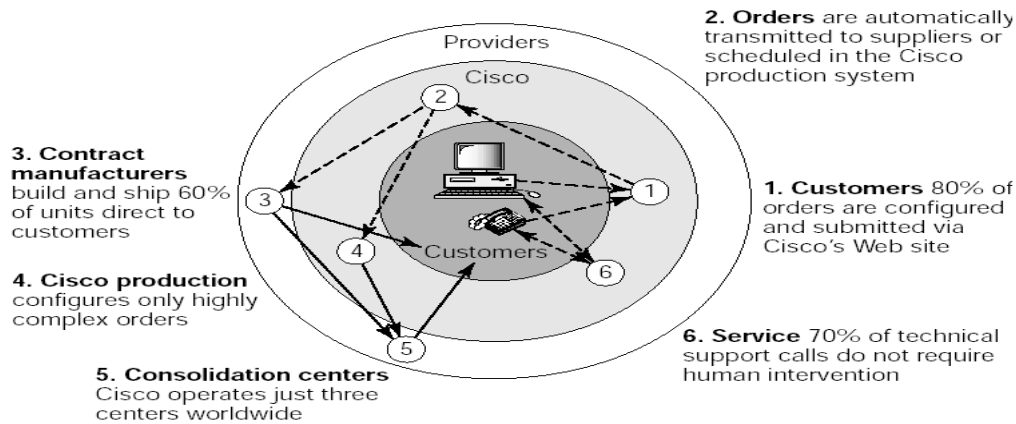
► Most analysis involves trade-offs

- * Across different entities
- * Across metrics: Cost, Service, Time, Risk, etc.

► Each interface in the supply chain represents

- * Movement of goods
- * Information flows
- * Transfer of title
- * Purchase and sale

Cisco's Value Network



Examples of Supply Chains

- ▶ Dell / Compaq
- ▶ Toyota / GM / Ford
- ▶ Milk Distribution System of NDDB
- ▶ Merry-Go-Round System of NTPC
- ▶ Dabbawalas of Mumbai
- ▶ Amazon / Borders / Barnes and Noble

9. Explain about marketing management, financial management, Accounting and Human resources.

Marketing Management



Product- Customer /Consumer - The product part of the Four Ps model is replaced by consumer or consumer models, shifting the focus to satisfying the consumer.

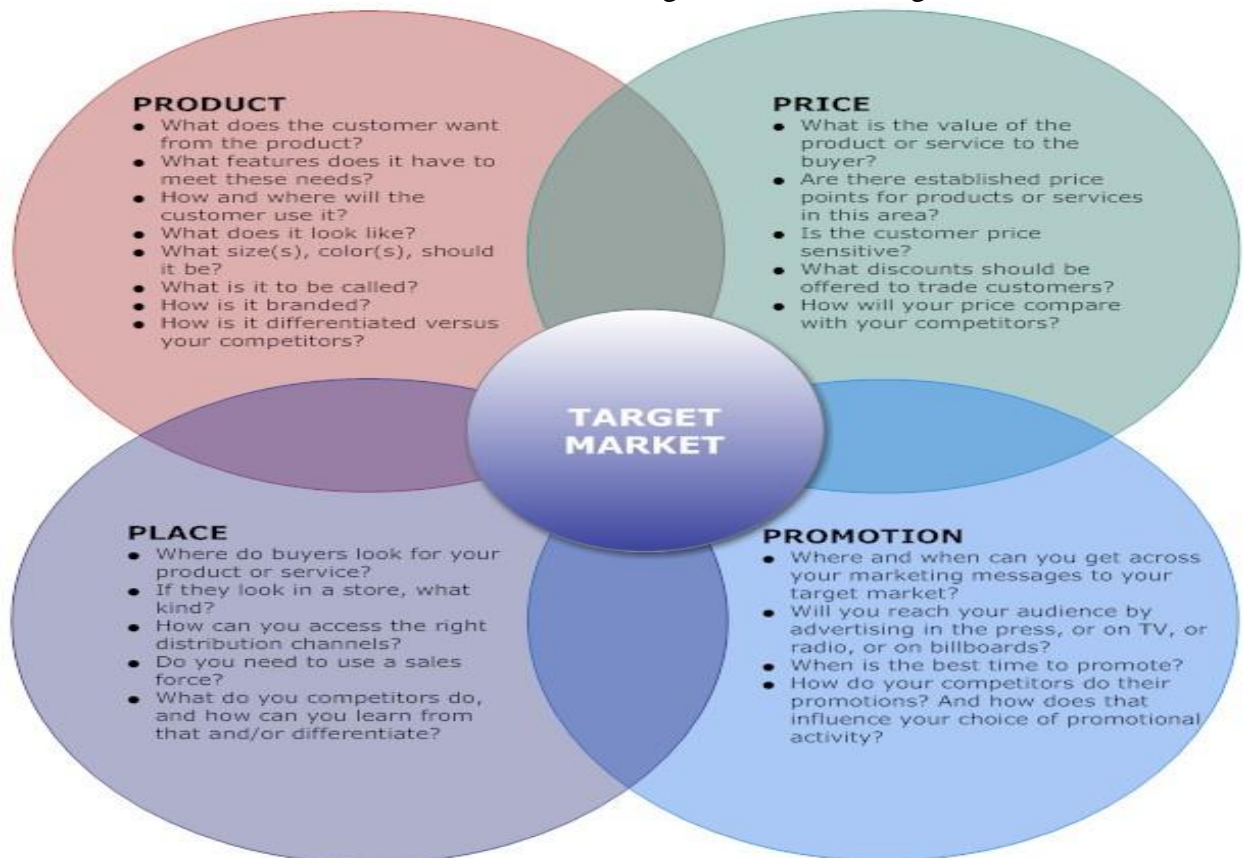
- Price- Customer cost - Pricing is replaced by cost, reflecting the reality of the total cost of ownership.

- Place- Convenience - Placement is replaced by the convenience function. With the rise of internet and hybrid models of purchasing, place is no longer as relevant as before. Convenience takes into account the ease to buy a product, find a product, find information about a product, and several other considerations.

- Promotion- Communication - Finally, the promotions feature is replaced by communication. • Communications represents a broader focus than simply promotions. Communications can include advertising, public relations, personal selling, viral advertising, and any form of communication between the firm and the consumer.

Four Cs

- The Four Ps is also being replaced by the Four Cs model, consisting of consumer, cost, convenience, and communication. The Four Cs model is more consumer- oriented and fits better in the movement from mass marketing to niche marketing.

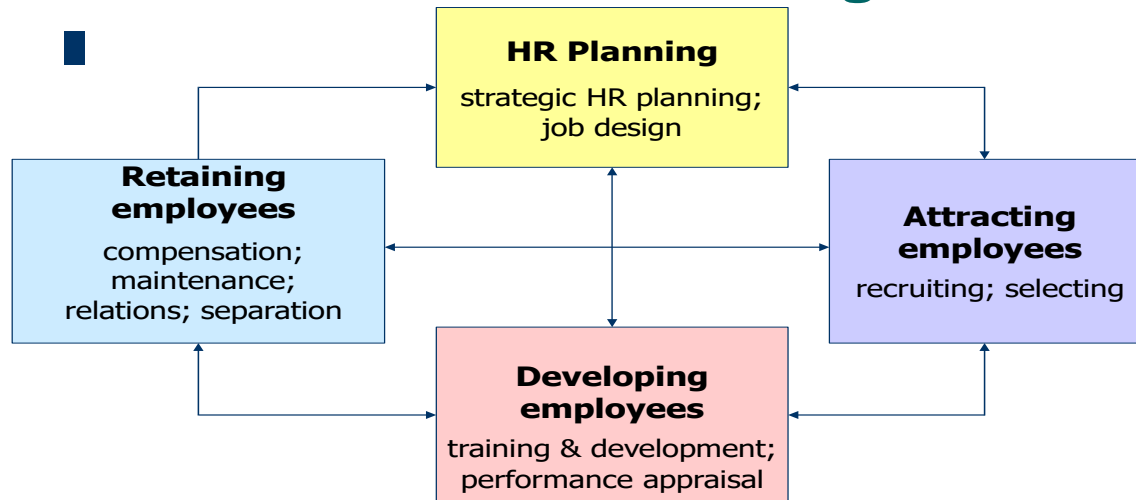


Human Resource Management

The real sources of competitive leverage are the culture and capabilities of your organization that derive from how you manage your people.'

"HRM is the function performed in organizations that facilitates the most effective use of people to achieve organizational and individual goals."

Human Resources Management



ACCOUNTING INFORMATION SYSTEM

- **Accounting** - It is the principal way of organizing and reporting financial information. It has been called the "language of business." Accounting and information systems comprise the functional area of business responsible for providing information to the other areas to enable them to do their jobs and for reporting the results to interested parties. To that end, an accounting system is used to identify, analyze, measure, record, summarize, and communicate relevant economic information to interested parties.

INFORMATION SYSTEM



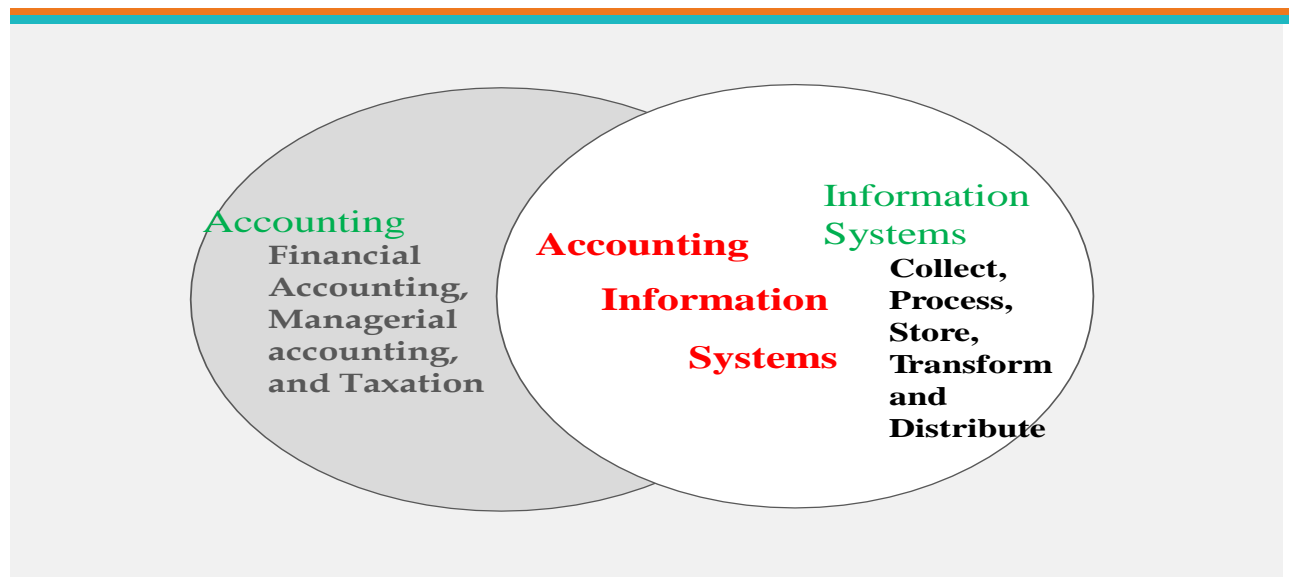
Data Versus Information

Data are raw facts and figures that are processed to produce information

Information is data that have been processed and are meaningful and useful to users. The terms “meaningful” and “useful” are value-laden terms and usually subsume other qualities such as timeliness, relevance, reliability, consistency, comparability, etc.

Information System - An Information system is a framework in which data is collected, processed, controlled and managed through stages in order to provide information to users. It evolves over time and becomes more formalized as a firm grows and becomes more complex. It can be a manual or computerized system. Firms depend on information systems in order to survive and stay competitive.

Accounting Information System - An Accounting Information System is a unified structure that employs physical resources and components to transform economic data into accounting information for external and internal users. Collection of data and processing procedures create needed information for users. AIS don't just support accounting and finance business processes. They often create information that is useful to non-Accountants.



Resources Required for an AIS

Processor(s): Manual or Computerized

Data Base(s): Data Repositories

Procedures: Manual or Computerized Input/Output Devices

Financial Management - The difference between financial management in the public and private sectors is that in public agencies you get a bag full of money at the beginning of the year and are told to spend it. In private enterprise you get an empty money bag at the beginning of the year and are told to fill it!” Public works departments are not financed by waving a magic wand. They are created with the money that government is able to take away from its citizens.”

► **Budgets**

- **Why We Budget - It's the Law**, Must have a fiscal year budget, Must be approved by June 30th , Must be balanced , Can be prepared biannually. **To Manage Our Resources like** People, Money, Time
- **Local Policy-** Policy Influences Budgets,Tax Levy Limits,Utility Rates,Franchise Fees,Policy Gets Established,Public Safety vs. Public Works,Street Cleaning vs. Street Resurfacing
- **Preparing Your Budget- Establish Your Mission**
- What is your PW Mission?Do you have a Strategic Plan to accomplish it?Have you prepared Goals and Objectives?Has your governing body approved these items?
- **Measure Your Mission** Asset management How many assets do you have What condition are they in? Benchmarking What should your activities cost? How many people do you need?
- **Put It In Writing** Incremental Budgeting (Selective increases or cuts from the current year) Program Budgeting (A budget for your objectives) Zero Based Budget (Establishes your mission, goals and objectives)
- **Presenting Your Budget - Know Your Audiences** Elected Officials Short-term view and public desires Public Works Director Long-term view and infrastructure needs City Manager and/or Finance Director Policy and Legal view and an adopted budget Taxpayers Personal view and what I want
- **The Internal Review** -Show “good management” Follow the rules and be realistic Don't surprise the boss! Make deals ahead of time Get budget approval Close the sale now!
- **The Public Presentation** -Have your supporters present Use charts and graphs Focus on: Meeting needs (The Mission) Cost-efficiency Political and public benefits

► **Operating Funds**

- General Funding
- Utility Funding
- ▶ **Capital Financing**
 - Revenue, Debt & Grant Financing
 - Public Private Partnerships

10. Explain about Report writing and its significance.

REPORT WRITING

- A report is a very formal document that is written for a variety of purposes in the sciences, social sciences, engineering and business disciplines. The final and the last step in any research is to make report of the findings to make the research and the study accessible to all. By this report, the research sponsors, government, students, academicians can get to learn and understand the research related work. Reports are required for judging the performances of various departments in an organization. A good report is always fact finding and not fault finding. It should be prepared in an impartial manner. The writers of the report should be impartial in their outlook and approach.

SIGNIFICANCE OF REPORT WRITING (Research)

- Report is considered a major component of the research study for the research task remains incomplete till the report has been presented and/ or written.
- The purpose of research is not well served unless the findings are made known to others.
- The task of report writing must be accomplished by the researcher with utmost care and he may seek the assistance and guidance of the experts.

Steps for report writing

Investigating the source of information

Taking notes

Analyzing the data

Making an outline

Writing the report:

MODULE 5: MICRO AND SMALL ENTERPRISES

1. Define micro and small enterprises (or) Discuss the need for small scale industries and mention the objectives

Small Enterprises

A unit engaged in manufacturing, processing, servicing of goods having investment in machinery at an original cost not exceeding Rs.60 Lakhs”. With effort from 1997, the govt has raised the investment for the SSI to 3cr from 60 lakhs . Regarding employees less than 50 when using power or less than 100 employees when power is not used. It is an enterprise in which investments in plant and machinery is between 25 lakh to 5 crores. These enterprises works and operates to earn a small amount of profit.

MICRO ENTERPRISE

Micro enterprise generally refers to a small business employing 10 people or less . It is an enterprise in which investments in plant and machinery is between 5lakh to 25 lakh. These enterprises works and operates not by choice but out of necessity

Sl.No	Year	Limit for SSI
1	1950	Capital up to Rs. 5 Lakhs(Assets)
2	1958	Capital up to Rs. 5 Lakhs(Investment)
3	1960	Capital up to Rs. 5 Lakhs(Fixed Assets)
4	1966	Capital up to Rs. 7.5 Lakhs(On machinery)
5	1975	Capital up to Rs. 10 Lakhs(On machinery)
6	1980	Capital up to Rs. 20 Lakhs(On machinery)

7	1985	Capital up to Rs. 35 Lakhs(On machinery)
8	1991	Capital up to Rs. 60 Lakhs(On machinery)
9	1997	Capital up to Rs. 3 crore (On machinery)

Objectives of Developing Small and Micro enterprises :

- 1) To generate Large Scale Employment Opportunities for the Unemployed speedily with relatively Low Investment.
- 2) To encourage dispersal of enterprises to all over the country covering Rural Areas , smaller towns & economically backward regions.
- 3) To bring Backward Regions too in the mainstream of national development.
- 4) To promote balanced regional development in the Whole Country.
- 5) To ensure more equitable distribution of National Wealth & Income.
- 6) To improve Socio – Economic Conditions & Standard of Living of the people in the Country.
- 7) To bring more Revenue to the Central & State Govts by way of Taxes.

2. Mention the characteristics and advantages of micro and small enterprises

Capital investment is small and most of them have small number of workers

Generally owned by a single or at the most 2 persons

Workers are not well recognized

Funded by owner's saving or short term loans

Few of them may grow as medium scale industries

Innovation and risk bearing are high in SSI

Profit margins are less due to competition

3. Briefly write about the government policies to SSIs during five year plans.

The Plan Expenditure on Small Enterprises Sector has been continuously increasing. In **the First Five Year Plan (1951 – 56)**, Rs 48 Crores constituting 47.8 % of the Total Plan Expenditure was spent in Small Scale Sector alone.

By the end of **First Five Year Plan**, there were *Six Statutory Boards* created to help the Small Scale Sector.

- a) All India Handloom Board.
- b) All India Handicrafts Board.
- c) All India Khadi & Village Industries Board.
- d) Small Scale Industries Board.
- e) Coir Board.

f) Central Silk Board.

Second Five Year Plan (1956 – 61) focused on dispersal of Industries to all the regions in the Country. Accordingly, 60 Industrial Estates were established in different regions providing various infrastructural facilities like Power, Water, Transport etc., at one place. The total expenditure was 187 Crores.

The Third Five Year Plan (1961 – 66) stressed on extension of Coverage of Small Scale Industries. The total expenditure on Small Scale Sector was Rs. 248 Crores.

The Fourth Five Year Plan (1969 – 73) Small Scale Sector witnessed significant Expansion. By the end of 1973, as many as 346 Industrial Estates had been established & Small Scale Sector provides employment to about 82,700 Persons.

The Fifth Five Year Plan (1974 – 78) outlay was Rs 611 Crores, whereas the actual expenditure on Small Scale Sector amounted to Rs. 592 Crores.

During **Sixth Five Year Plan (1980 – 1985)**, massive development programs were initiated by the development of most promising Small – Scale Industrial Sector. Expenditure occurred in this Plan was Rs. 1945 Crores exceeding the Outlay of Rs. 1780 Crores

7th Five Year Plan (1985 – 90) gave a lot of importance for Technology Up gradation to increase Competitiveness of Small Scale Industrial Sector. The actual expenditure during Seventh Plan was Rs. 3249 Crores & exceeded the plan outlay of Rs. 2753 Crores. Due to this, various development programs, the Small Scale Industrial Sector witnessed significant development in all fronts. Employed increased substantially from 96 Lakh persons to 119.6 Lakh persons during the Seventh Plan period.

The 8th Five Year Plan (1992 – 1997) gave a lot of stress on Employment generation as the motive force for economic growth. As a result the number of Small Scale Units increased from 13.56 lakh to 18.27 Lakh. The value of Annual Production increased to Rs. 91,681 Crores. The total expenditure in Eight Plan Small Scale Sector was Rs. 6334 Crores.

4. List out the supporting agencies of government for SSIs

National small industries corporation (NSIC - 1955) - View to promoting the growth of SSI in the country

Khadi village industries commission (KVIC-1957) - KVIC is supposed to do planning, promotion, organization and implementation of the programs for the development of khadi and other village industries in rural areas

Training Institutes –

- National institute of small industry extension training (NISIET), Hyderabad. undertakes operations like training, consultancy, research.

- National institute for entrepreneurship and small business development (NIESBUD), New Delhi conducts national and international level training programs in different fields.

Indian Institute of Entrepreneurship (IIE), Guwahati was established to act as a channel for entrepreneurship development with its focus on the SSI

State level institutions –

State small industrial development corporations (SSIDC)

State directorate of industries (SDI's)

District industries centers (DIC's)

Fund based institutions –

□ Small industries development bank of India (SIDBI – 1990) as a finance bank, it has 5 regional offices and 33 branch offices.

□ Commercial Banks – Credit requirement of SSI is of 2 types long term loans and working capital.

□ State finance corporation (SFC's) – first SFC was setup in Punjab in 1953, today there are 18 SFC's in country

Khadi & Village Industries Commission (KVIC) : □ This is a Statutory Body created by an act of the Parliament in 1956. It is concerned with Planning, Promotion, Organization, & Implementation of the Programme for the Development of Khadi & other Village Industries in the Rural Areas in Coordination with other agencies engaged in Rural Development whenever necessary. The Various Functions are :

□ Build up a Reserve of Raw Materials & implements for supply to rural industries.

□ Create common service facilities for converting Raw Materials into Semi Finished goods to be used as inputs by the Rural Industries.

□ To market the Products of KVIC. To Organize Training of Artisans engaged in Rural Industries & to encourage Co-operative efforts amongst them.

□ To Provide Financial Assistance to Institutions or Persons engaged in the Development & Operation of Khadi & Village Industries.

□ To Provide necessary Technical Information & Guidance thro supply of Designs & Prototypes etc. to Khadi & Village Industries.

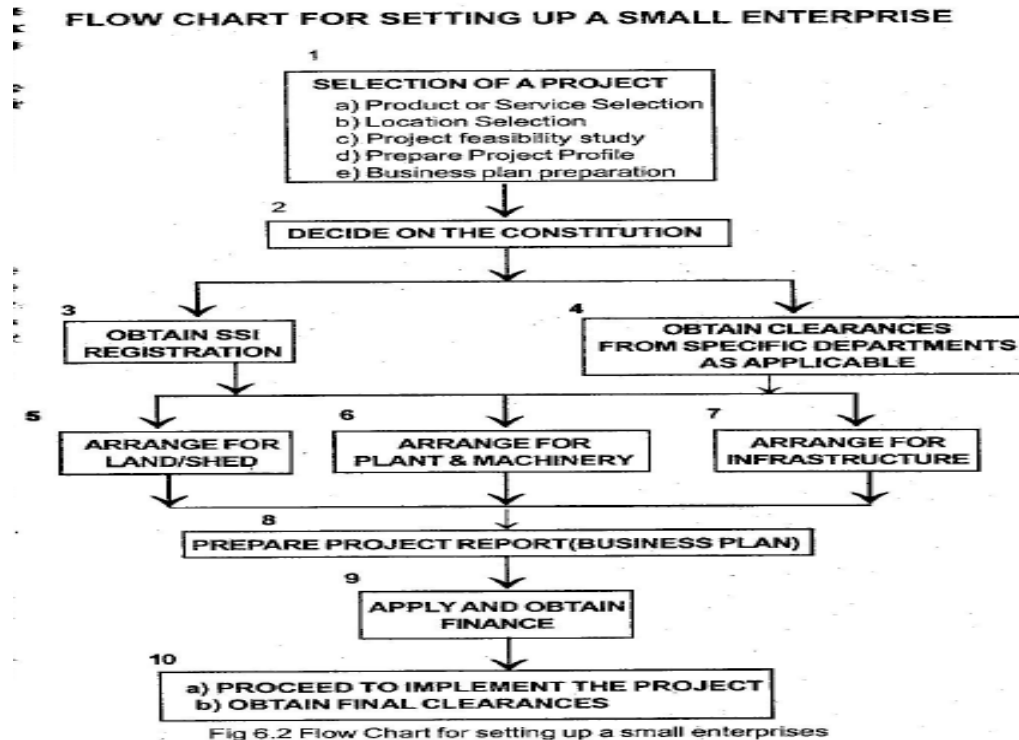
National Productivity Council (NPC) :

This is an Autonomous Institution functioning under the Overall Supervision of the Ministry of Industry, Govt of India. Its Head Office is at New Delhi. It has got Regional Directorates at almost all the State Capitals. Its Primary Objective is to Act as a Catalyst in enhancing the Productivity of all the Sectors of the Economy, including Industry & Agriculture. The Main Activities of NPC is to provide Consultancy & Training in Various areas related to Industrial Engineering, Plant Engineering, Energy Management, Human Resources Development, Informal Sector etc. about 200 Professionals specialized in various fields work under NPC.

In order to provide expertise of NPC to Small Scale & Informal Sector. SIDBI has entered into a tie up with NPC. The Collaboration aims at promoting the concept of productivity in Small Industry Clusters & improving the Technology Level of Small Enterprises.

5. Explain the steps to start SSI

Project Selection : Entrepreneur is the Most Important person for the Success of a Project. In order to set up a Small Enterprise, the Entrepreneur has to decide or choose a suitable project. The Entrepreneur has also to decide on a suitable location for the project. Based on these selections, a project feasibility study has to be conducted & then a brief project profile has to be prepared for the proposed project.



The Project Selection & the Preliminary Activities involve the following :
Product or Service Selection.

Location Selection.

Project Feasibility Study.

Preparation of Project Profile.

Business Plan Preparation.

Product or Service Selection :

This is the first & most important step in setting up a small enterprise. Because, the further prospects, actions & efforts in setting up the small enterprise & commencing its commercial activities successfully depend on this decision. Therefore, the Entrepreneur has to be very careful in the choice or selection of the Project. The main factors to be considered in deciding a suitable project are as follows :

a) Background & Experience of Entrepreneurs.

Availability of the Right Technology & Know – How for the Project.

Marketability of the Product / Service.

Investment Capacity (i.e., Financial Resources.)

Availability of Plant & Machinery, Indigenous or Imported.

Availability of Raw Materials.

Availability of Proper Infrastructural Facilities Viz., Land / Shed, Power, Water, Communication, Transport etc.

Availability of right kind of Labor Viz., Skilled, Semi – Skilled & Unskilled.

b) Location Selection : After deciding on the Project, the next important

decision an Entrepreneur has to make is about the Location of the Project. There are a Few factors associated with the same :

- 1) Nearness or Proximity to Market.
- 2) Availability of Raw Materials.
- 3) Availability of Transformation & Communication Facilities.
- 4) Availability of Govt Incentives / Concessions.
- 5) Govt Industrial Policy.
- 6) Availability of suitable Infrastructural facilities.
- 7) Availability of Labor.
- 8) Convenience for the Entrepreneur's.

c) Project Feasibility Study :

The important facts of Project Feasibility Study are as follows :

1) Market Analysis

2) Technical Analysis

3) Financial Analysis

4) Economic Analysis

5) Social Analysis

d) Project Profile : A *Project Profile* generally contains information about the Project under the Following Heads :

- 1) Introduction.
- 2) Promoter(s) Background (Education, Experience).
- 3) Product(s) Service(s) Description (Specification, Uses etc.)
- 4) Market & Marketing.
- 5) Infrastructure needed.
- 6) Plant & Machinery (Description, Capacity, Cost etc.)
- 7) Process Details.
 - 8) Raw Materials (Requirements, Specifications, Cost etc.)
- 9) Power, Water & other utilities required.
- 10) Manpower needed (type of Personnel reqd & salaries / wages)
- 11) Cost of the Project & means of finance.
- 12) Cost of Production & Profitability.

e) *Business Plan Preparation* :

This is a Document where the Entrepreneur plans his Business to have an Organized & effective response to a situation which may arise in future. A Business Plan is used to make Crucial Start Up Decisions to reassure Lenders, Investors, to measure Operational Progress ; to Test Planning Assumptions ; to Adjust Forecasts; & to set the standard for good Operational Management.

2) *Decide on the Constitution* :

To start any Enterprise, the Promoter's have to decide on the Constitution of the Unit. There are 3 Major Alternatives :

- a) *Proprietary*
- b) *Partnership*
- c) *Company*.

a) *Proprietary Enterprise* :

A Single Individual is the Owner of such an Enterprise.

b) *Partnership Enterprise (Firm)*:

This is an Association of Two or more Persons, subject to a Maximum of 20 Persons. They are governed by the Indian Partnership Act , 1932 & rules framed there under the State Govt. It is advisable to have a Partnership Deed Agreement on Stamp Paper of Appropriate Value.

c) *Company* :

This may be a Private or Public Limited Company. A Private Limited Company can be formed with a minimum of 2 Persons & a Maximum of 50 Persons. A Public Limited Company can be formed with a Minimum of 7 Persons & Maximum number of Persons is unlimited. Company is governed by the Companies Act, 1956. For Registering the Company, one has to approach *Registrar of Companies* of the State.

3) *Obtaining SSI Registration* :

Entrepreneurs desiring to start a Small Enterprise have to initially obtain a *PRC*(Provisional Registration Certificate). Once the Unit goes into Production, the PRC has to be converted into a Permanent Registration Certificate (*PMT*).

a) *PRC* : This is the Initial Registration reqd for starting a Micro & Small Enterprise. The Entrepreneur has to apply & obtain a PRC after selection of the Project & deciding on the Location of the Unit. This Application is necessary for Infrastructural Facilities such as Land, Shed, Power etc & Finance from the Financial Institutions.

b) Permanent Registration Certificate (*PMT*) :

A Micro or a Small Enterprise can get a Permanent Registration Certificate when it actually commences Commercial Production / Service. PRC would be converted to PMT when the Unit commences its Commercial Activities.

PMT Registration will help in several ways like the following :

To apply for scarce raw materials & for imported raw materials.

☐ To get Working Capital Loan from Banks / Financial Institutions.

☐ For Claiming Incentives, Concessions, including Sales Tax Exemption wherever applicable.

☐ To apply for registration under Govt Stores purchase programs / Export Promotion Program & to get Purchase & Price Preference.

☐ **4) *Specific Clearances* :**

☐ There are a number of Statutory Clearances reqd to start Micro & Small Enterprises.

☐ Some of them are given below :

a) Agricultural Land Conversion into Non – Agricultural Land (NA Conversion).

b) Building Plan approved by the Local Authorities.

c) Factories Act & Labor Dept.

d) Trade License from the Local Authorities.

e) Pollution Control Board Clearances.

5) *Land or Shed Selection* :

For Any Industrial Project, Suitable Industrial Site Or A Ready Industrial Shed Is Req'd. The Promoters Of The Unit Could Consider Taking An Industrial Site & Constructing A Shed As Per Their Requirement, Alternatively, Could Consider

Taking A Ready Industrial Shed On Ownership Basis Also.

Whom To Approach :

- A) KIADB- Karnataka Industrial Areas Development Board For Land.
- B) KSSIDC - Karnataka State Small Industries Development Corporation Ltd For Shed Requirement.
- C) Alternatively, The Entrepreneur Can Also Approach Directly The Jt. Director , DIC (Department Of Industries And Commerce) In The Particular District Also For Requirement Of Land / Shed For The Proposed Enterprise.

6) Plant & Machinery :

This requirement for a Particular Project could be purchased from recognized manufacturer's / dealers. This could also be taken on Hire Basis operated by National Small Industries Corporation Limited (NSIC). This is a Govt of India promoted Corporation.

7) Infrastructure Facilities :

For Micro or Small Enterprises the main infrastructure facilities are Land or Shed for the Project , Power Connection , Water Supply & Telephone & Internet Facility. As said earlier, for Land or Shed , the Entrepreneur can approach either KIADB or KSSIDC as the case may be. For the requirement of Power, an application may be made to the local electricity company in the region. For Telephone connection & Internet facilities, Entrepreneur has to approach BSNL or other operators.

District level Single Window Agency (SWA) assists the Entrepreneur in getting all the above facilities. Hence, the Entrepreneur can forward an Application on a plain paper to the Jt. Director , District Industries Centre of the District giving his requirement of various infrastructural facilities for speedy approval & sanction.

8) Project Report :

For any New Project or Enterprise to be set up, Proper Planning is necessary.

A detailed Project Report provides such a plan for the Project. The Report is useful to the Entrepreneur for Planning & Implementing the Project. This is essential for Obtaining Finance & other clearances for the Project. In fact, the Project Report gives a detailed insight of the *Techno – Economic Viability of the Project*. This is generally prepared to cover the following :

9) Finance :

Finance for such Projects are under 2 main categories :

- a) Term Loan.
 - b) Working Capital Loan.
- a) Term Loan : For starting a Small Enterprise, Term Loan Finance for the Fixed Assets like Land, Building, Plant & Machinery etc ., can be availed. This Loan can be availed from Karnataka State Financial Corporation (KSFC) & or from the Commercial Banks. Financial Institutions sanction up to 75 % of the Total investment on Fixed Assets & the Balance of 25 % has to be pooled in by the Promoters as Margin Money.
- b) Working Capital Loan :
- It is always preferable to approach Commercial banks for Working Capital Loan. All Commercial Banks finance up to 75 % of the Working Capital Loan & the remaining 25 % has to be pooled in by the Promoters. It is important to note that Banks will release Working Capital Loan only after the Promoters have contributed their share of 25 % .

10) *Implementation of the Project :*

The Entrepreneurs will have to take necessary steps to physically implement the Project after obtaining the various Licenses, Clearances, Infrastructural Facilities etc. Following are the Major Activities that the Entrepreneurs have to undertake for implementing the Project.

- a) Construct Shed
- b) Order for Machinery
- c) Recruit Personnel
- d) Arrange for Raw Materials
- e) Marketing
- f) Obtain Final Clearances

6. Explain the Role of SSI in Economic Development:

The Role of Small Enterprises in Economic Development of our Country can be discussed with reference to the following parameters during the last Four Decades :

- 1) Increase in the Number of Small Enterprises.
- 2) Increase in the Value of Production in Rupee Terms.
- 3) Increase in the Number of People Employed.
- 4) Increase in the Export Earnings in Rupee Terms.

The Small Enterprises have registered phenomenal growth in their Number, Production, Employment & Exports over the Last Four Decades. In 1950, there were 16,000 Registered Small Scale Industries & this has increased to 31.21 Lakh Registered SSI's during 1998 – 1999.

During 1973 – 74, the Total Value of Production reported by SSI's was Rs. 7200 Crores & this has grown phenomenally by about 75 Times to Rs. 5,38,357 Crores during 1998 – 1999.

As regards Employment, about 40 Lakh People were employed in SSI Sector during 1973 – 1974 & there is a Four Fold Increase in Employment during 1998 – 1999, that is 175.2 Lakh People were employed in SSI Sector during 1998 – 1999.

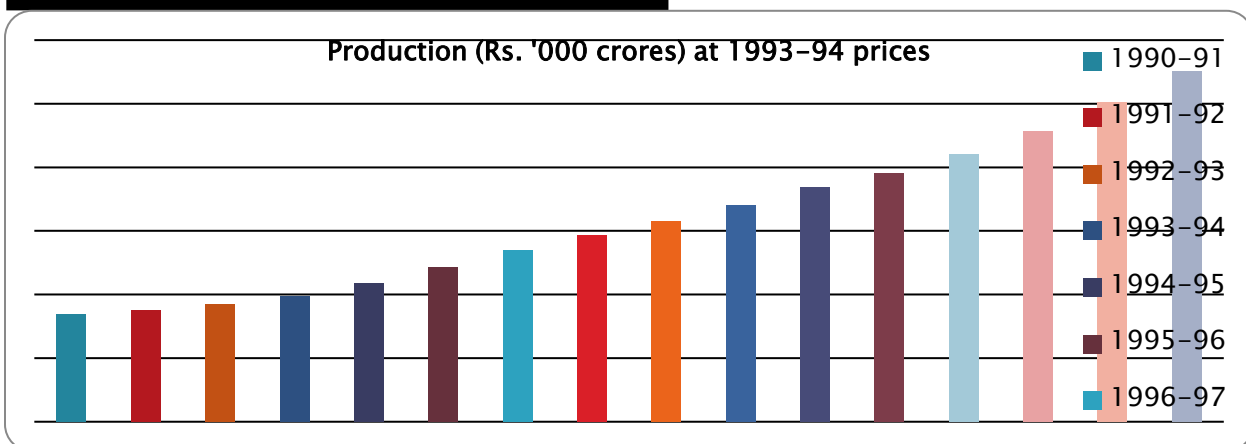
There is a Phenomenal Growth in Exports Revenue during the last Four Decades. During 1973 -1974, SSI Sector exported Rs. 393 Crores worth of Goods & Services & this has grown nearly 150 times to Rs. 57, 488 Crores during 1998 -1999.

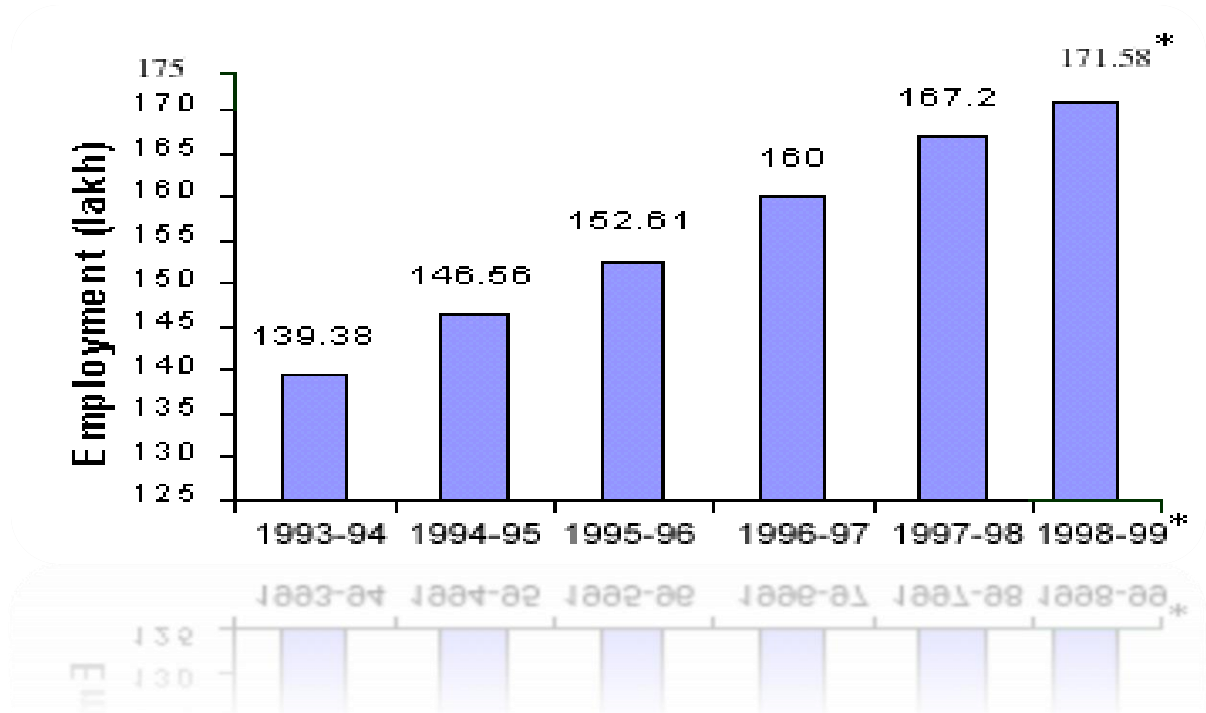
As we can see, the SSI Sector has been contributing tremendously in overall economic development of the Country by creating Vast Employment Opportunities , increased Value of Production, & increased Value of Exports & Foreign Exchange Earnings.

S. NO	PRODUCT GROUP	MAIN DESTINATION
1	READYMADE GARMENT	USA, WEST ASIA, NORTH AFRICA
2	SPORTS GOODS	UK, USA, GERMANY
3	SPICES	EAST ASIA, UNION , NORTH AFRICA

4	LEATHER & LEATHER ITEMS	GERMANY , UK, ITALY, USA, FRANCE
5	WOOL & WOOLEN KNITED GARMENT	EUROPE, BANGLADESH , JAPAN , SHRI LANKA , BHUTAN ,
6	PROCESSED FOOD ITEMS	EUROPE, BANGLADESH , JAPAN, USA
7	TABACCO AND TABACCO ITEMS	EAST EUROPE
8	ELECTRONIC ITEM AND COMPUTER SOFTWARE	USA , UK , HONGKONG UAE, JAPAN
9	CASHEW ITEM	USA , UK , JAPAN , NEATHERLAND
10	MARIENE PRODUCT	UK, USA, GERMANY EUROPE, BANGLADESH

Year	Target (lakh nos.)	Achievement (lakh nos.)	Growth rate
1992-93	128.0	134.06	3.28
1993-94	133.0	139.38	3.28
1994-95	138.6	146.56	5.15
1995-96	144.4	152.61	4.13
1996-97	150.5	160.00	4.88
1997-98	165	167.20	4.50
1998-99	170.1	171.58	2.61
1999-00	175.4	177.3	3.33





7. Explain the Govt policies towards SSI

IPR 1948(Industrial policy resolution)

SSI faced lot of problems like shortage of raw material and capital , non availability of skilled labours etc.

The aim trust of IPR 1948was to provide protection to SSI

IPR 1956 –

IPR 1956 continues policy support to the small sector.

This policy development some of the developmental projects like rural industries projects etc

This policy is aimed at the protection and development

IPR 1977 –

This policy gives the effective promotion of SSI widely spread in rural and urban areas

IPR 1977 classified SSI into 2 categories

- Cottage and household industries(Provide self employment)
- Tiny industries (Can start industrial plant in an town with a population less than 50,000 and with upto 1 L investment – 1977 census)

INDUSTRIAL POLICY RESOLUTION 1991

Main feature of this resolution are as follows:

1. It raised the investment ceiling in plant and machinery for SSIs.
2. It created central investment subsidy for this sector in rural and backward area. Also, assistance was granted to woman entrepreneurs
3. Small Industries Development Bank of India was established to ensure adequate flow of credit to SSIs.
4. Special emphasis was laid on training of woman and youth under Entrepreneurial Development Programme.

5. Activities of Khadi and Village Industries Commission and Khadi and Village Industrial Board were to expand.

INDUSTRIAL POLICY PACKAGE FOR SSI 2001-02

This policy emphasizes the following:

The corpus fund set up under the Credit Guarantee Fund Scheme was increased from 125 crore to 200 crore. Credit Guarantee cover was provided against an aggregate credit of Rs 23 crore till December 2001. 14 items were de-reserved in June 2001 related to leather goods, shoes and toys. Market Development Assistant Scheme was launched exclusively for SSI sector.

INDUSTRIAL POLICY ON SSIS 2004-05

Policy initiatives for this year are as follows:

- The national commission on Enterprises in the Un-organized/Informal Sector was set up in September 2004. It suggested measures considered necessary for improvement in the productivity of these enterprises, generation of large scale employment opportunities, linkage of the sector to institutional framework in area like credit, raw material supply, infrastructure, technology up gradation, marketing facilities and skill development by training. 85 items were de-reserved in October 2004. Promotional Package for small enterprises was initiated.



8. Write a note on TECSOK, KIADB, KSSIDC, KSIMC, KSFC. NSIC, DIC single window agency, SIDBI

TECSOK - TECHNICAL CONSULTANCY SERVICES OF KARNATAKA. It was established in 1976 by the government of Karnataka. It is located in Basava Bhavan, Basaveshwara Circle, Bangalore. Nature of support: Multi-disciplinary technical, industrial and management consultancy.

Objectives:

To provide reliable consultancy support for entrepreneurs to startup self-employment ventures in Karnataka.

To provide consultancy services to the various Departments and Agencies of state and Central Governments.

Functions:

To identify investment opportunities which are location specific.

To assist entrepreneurs in obtaining statutory and procedural clearances.

To carry out feasibility studies and environmental impact studies.

To assist preparation of detailed project reports as per investment norms and financial norm.

To carry out market survey and research specific to industry needs.

To assist in project implementation and extend turn key assistance.

To help in reorganization and restructuring of employees.

KSIMC - KARNATAKA SMALL INDUSTRIES MARKETING CORPORATION. This was established in 2001 as a subsidiary of KSSIDC. The office is in Rajajinagar Industrial Estate.

Objectives:

(i) To extend marketing support and assistance

(ii) To procure government needs from SSI's thoroughly purchase and price preference.

Functions:

To improve quality of products

Improve production manufacturing process

Reduce prices

Augment exports

KSSIDC - KARNATAKA STATE SMALL INDUSTRIES DEVELOPMENT CORPORATION LTD. Established in 1960 by Government of Karnataka. Nature of support: Infrastructure and industrial inputs.

Objectives:

(i) To assist small scale industries in the procurement of raw materials

(ii) To take up any activity aimed at rapid development of small scale industry

Functions:

To establish and manage industrial estates

To procure and distribute scarce and rare raw materials to various SSIs

To provide assistance towards marketing of products from various SSIs

To organize national level and international level exhibition and facilitate exchange of information

To supply machinery under hire purchase scheme.

KSFC -

- ▶ Kaushik Mukherjee, IAS, Managing Director
- ▶ KSFC has been playing a vital role in the development of Micro, Small and Medium scale Enterprises (MSMEs) in the State of Karnataka
- ▶ KSFC an ISO 9001:2000 certified organization
- ▶ KSFC is one of the fast track term lending financial institutions in the country
- ▶ Assistance to over 1,63,643 units amounting to nearly Rs 10,465 crore over the last 52 years in the State of Karnataka.
- ▶ KSFC is one of the robust and professionally managed State Financial Corporations.
- ▶ KSFC to have assisted many industries that are internationally recognised like
 - INFOSYS

BIOCON

- ▶ Financial services
- ▶ Infrastructure development
- ▶ Term loan
- ▶ For establishing Commercial Complexes,
- ▶ Residential Apartments
- ▶ Development of Residential Layouts,
- ▶ Group Housing
- ▶ Industrial Estates
- ▶ Parks

Godowns

- Warehouses
- Acquisition of Ready built Offices/New Office Building
- Sales Outlets/Showrooms and
- Infrastructure projects like Flyovers, Bridges etc
- Construction
- Development and Maintenance of Roads
- Amusement Parks
- Convention Centres
- Hotels and Restaurants
- Travel and Transport
- Tourist Service Agencies
- Mobile Canteen / Catering
- For acquiring capital goods
- Equipment including road rollers, asphaltting units
- Concrete mixtures, tippers, excavators,
- Surveying and other supporting equipment towards development, maintenance and construction of roads.

KARNATAKA INDUSTRIAL AREAS DEVELOPMENT BOARD (KIADB)

- The Karnataka Industrial Areas Development Board [KIADB] was constituted under Sec.5 of Karnataka Industrial Areas Development Act, [KIAD Act] – 1966.

- ▶ KIADB provides for expeditious acquisition of lands for industrial and infrastructure purposes.
- ▶ KIADB also acquires lands in favour of various State & Central Govt. Departments for setting up their projects on stand alone basis. Promote rapid and orderly development of industries in the state.
- ▶ Assist in implementation of policies of Government within the purview of KIAD Act.
- ▶ Facilitate in establishing infrastructure projects.
- ▶ Function on “No Profit – No Loss” basis.
- ▶ Acquire land and form industrial areas in the state.
- ▶ Provide basic infrastructure in the industrial areas.
- ▶ Acquire land for Single Unit Complexes.
- ▶ Acquire land for Government agencies for their schemes and infrastructure projects.
- ▶ KIADB has formed industrial areas in all the districts of the State.
- ▶ It has formed 132 small and big industrial areas spread over the State covering about 40,000 acres.
- ▶ In Bangalore industrial areas like Peenya, Bidadi, Electronic City, EPIP-Whitefield, etc.
- ▶ In Mysore, Hebbal industrial area spread over 3000 acres.
- ▶ KIADB has several innovative projects like Agro -Tech Parks, Food Parks, Auto Parks, Hardware Park, Bio-Tech Park, Growth Centers etc.
- ▶ KIADB has so far developed 136 industrial areas in 28 districts of the State.
- ▶ A typical industrial area developed by the Board will have following infrastructure facilities:
 - ▶ Approach roads and internal roads with storm water drains
 - ▶ Power supply and street lighting
 - ▶ Water supply
 - ▶ Common Facilities Centers to accommodate Banks, Post Offices, Telephone Exchanges, Dispensaries and Canteens, among others
 - ▶ Power Sub-Station
 - ▶ Hotels & Hospitals
 - ▶ Housing tenements to provide housing facility to the labour force working in the industrial units

National Small industries Corporation (NSIC)

The National Small Industries Corporation Ltd., an ISO 9001 certified company. — Established in 1955 — Objective :- To fulfill its mission of promoting, aiding and fostering the growth of small and medium enterprises in the country. — **C o n s o r t i a a n d T e n d e r M a r k e t i n g** : To remove the problem of execution of large tenders — **E x h i b i t i o n s a n d T e c h n o l o g y F a i r s** : To showcase the competencies of Indian SSIs and to capture market opportunities, NSIC participates in select International and National Exhibitions and Trade Fairs every year.

--facilitates the participation of the small enterprises by providing concessions in rental etc. — **B u y e r - S e l l e r m e e t s** : Bulk and departmental buyers such the Railways, Defence.

Single window DIC agency.

Meaning: DISTRICT INDUSTRIES CENTRE. Launched in 1978 in all districts of each state. There are about 400 DIC's in India. Nature of support: Information and Consultancy Services. Industrial Inputs.

Objectives:

- (i) To effectively promote cottage and small-scale industries in rural areas and small towns.
- (ii) To act as a Single Window Agency to help the entrepreneur with all the information under one roof.
- (iii) To serve as an integrated administrative frame work at the district level for industrial development.

Functions:

- (i) Surveys: To carry out surveys to assess the potential of a district with respect to industrial development taking into account availability of raw material, manpower, infrastructure, demand for a product etc. This survey provides a basis for advising budding entrepreneurs.
- (ii) Action Plan: To prepare an action plan for the industrial development of the district.
- (iii) Appraisal: To appraise various investment proposals received from entrepreneurs.
- (iv) Guidance: To guide entrepreneurs in selecting appropriate machinery and equipment.
- (v) Marketing: To assist entrepreneurs in marketing their products and assess the possibility of export promotion.
- (vi) R&D: To link R&D institutes with entrepreneurial activities for product innovation.
- (vii) Training: To conduct artisan training programs.

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

- ▶ The Government of India set up the SIDBI under a special Act of the Parliament in October 1989.
- ▶ SIDBI commenced its operations from April 2, 1990 with its head office in Lucknow.
- ▶ SIDBI has been setup as a wholly owned subsidiary of IDBI.
- ▶ Its authorised capital is Rs.250 crore with an enabling provision to increase it to Rs.1000 crore.
- ▶ It is the apex institution which oversees, co-ordinates & further strengthens various arrangements for providing financial and non-financial assistance to small-scale, tiny, and cottage industries.
- ▶ Four basic objectives are set out in the SIDBI Charter. They are:
 - ▶ Financing
 - ▶ Promotion
 - ▶ Development
 - ▶ Co-ordination

Products & Services

- ▶ **Direct finance-** Since its beginning, SIDBI had been providing refinance to State Level Finance Corporations / State Industrial Development Corporations / Banks etc., against their loans granted to small scale units.

SIDBI's direct finance schemes are: Scheme for expansion / diversification of small scale units, Scheme for specialised marketing agencies. Scheme for ancilary / subcontract

units. Scheme for existing Export Oriented Units (EOUs) to enable them to acquire ISO 9000 series certification.

- ▶ **Bills finance** Bills Finance Scheme involves provision of medium and short-term finance for the benefit of the small-scale sector. Bills Finance seeks to provide finance, to manufacturers of indigenous machinery, capital equipment, components sub-assemblies etc, based on compliance to the various eligibility criteria, norms etc as applicable to the respective schemes.

To be eligible under the various bills schemes, one of the parties to the transactions to the scheme has to be an industrial unit in the small-scale sector within the meaning of Section 2(h) of the SIDBI Act, 1989.

- ▶ **Refinance scheme** is introduced for catering to the need of funds of Primary Lending Institutes {PLI} for financing small scale sector. Under the scheme, SIDBI grants refinance against term loans granted by the eligible [PLIs](#) to industrial concerns for setting up industrial projects in the small scale sector as also for their expansion / modernisation / diversification. PLIs are SIDC, SFC. Banks like commercial banks, Co-operative Banks, Regional Rural Banks Schemes of re-finance assistance: Scheme for SC-ST & physically handicraft persons Composite loan scheme Equipment refinance schemes. Schemes for small road transport operators. Special assistance to ex-servicemen.

- ▶ **International finance** The main objective of the various International Finance schemes is to enable small-scale industries to raise finance at internationally competitive rates to fulfill their export commitments. The financial assistance is being offered in US Dollars and Euro currencies. Assistance in Rupees is also provided to the needy borrowers. The international finance is available from pre-shipment & post shipment credit.

Need based limit, depending on the normal trade terms and credit period given to overseas buyers by exporters not exceeding 180 days.

- ▶ **Promotional & Development activities** As an apex financial institution for promotion, financing and development of industry in the small scale sector, SIDBI meets the varied developmental needs of the Indian SSI sector by its wide-ranging Promotional and Developmental (P&D) activities.

The activities are as follows:

Entrepreneurship Development Programmes.

Management Development Programmes.

Technology Upgradation Programmes.

Fixed deposit scheme

Technology Upgradation & Modernisation Fund Scheme {TDMF}

Venture Capital Fund Scheme

Seed Money Schemes One of the constraints faced by Entrepreneurs is the lack of own resources to promote the minimum promoter contribution. Hence, SIDBI introduced seed money scheme for the benefit of entrepreneurs. Seed money is available through DIC { Direct Industry Centre } to those entrepreneur who are technically qualified but lack of own capital.

National Equity Fund Scheme

9. Write a note on N.R Narayana Murthy. (or) Write case study of N R Narayana Murthy & Infosys

Mr. Narayana Murthy and Infosys

A Case Study of Indian Values

After India abandoned its planned economy in 1991 and embraced global capitalism, many new technology companies sprang up all over the country, especially in the Bangalore area. One of the most successful of these start-up companies was Infosys, an information technology company launched by Mr. Narayana Murthy and six of his friends in 1981 with the support of Mrs. Sudha Murthy. In 2000 Infosys, the first Indian company to be traded on NASDAQ, was worth about U.S. \$27 billion. This case study aims to demonstrate how any Indian may be at once very modern and also draw upon the millennia of his or her rich cultural tradition. As Gandhi did before him, Murthy has original ways of combining features of his Indian legacy.

About Narayana Murthy

Narayana Murthy was born in 1946, in Karnataka, India. He acquired a degree in Electrical Engineering from Mysore University, and later studied Computer Science at the Indian Institute of Technology (IIT) in Kanpur.

In 1981, Narayana Murthy founded Infosys Technologies along with six of his friends. None of them had the money to start the company, but luckily his wife Sudha Murthy, who was an engineer with Tata Industries, had saved 10,000 rupees (Rs)--about 250 U.S. dollars--that she donated to start the company.

Since its inception Infosys Technologies developed quickly and has done well not only in the domestic stock markets but also in the international markets. In March 1999, it became the first India-registered company to be listed on an American stock exchange (NASDAQ: INFY). For the year ending March 2000, it earned \$61.3 million on sales of \$203.4 million. During the downturn on the stock market in early 2001, Infosys growth slowed, but the company was still enjoying substantial growth.

In a poll conducted by Asiaweek, Mr. Murthy was selected one of the 50 most powerful people in Asia for 2000. Fifty percent of the respondents in an online poll conducted by The Economic Times voted him the best CEO of India. (Sawhney) As of Jan 8, 2000 when Infosys Technologies' share price crossed the Rs 16,910-mark on the Bombay Stock Exchange, his 7.7 percent holding in the company is valued at Rs 4,306 crore, or just about \$1 billion. Although Mr. Murthy once remarked that being labeled a "national icon" can wreak havoc on your ego, he continues to cling to his roots, staying in a house in the middle class area of Jayanagar in Bangalore with his engineer wife Sudha and their two children, Akshata and Rohan and to draw on insights from his early experiences and from the Indian tradition.

The fifth of eight children, Murthy was born into a modest family. His father worked as a school teacher in Mysore. When asked about the role models that inspired his career, he replied: “Those days our role models were our teachers, both in school and university. They taught us to be inquisitive and articulate. You have to imagine a lower middle class family in a district headquarters in the ’60s. My father used to tell us about the importance of putting public good before private good; mother would talk about sacrifice and truth. Beyond the basic values of life they didn’t discuss too much about our careers.” His uncle was a civil servant and his father was very keen that he take that up as a career but somehow that didn’t appeal to him. He took a degree in engineering at a local college and hoped to become a junior engineer in a hydroelectric power plant, Nehru’s temples of modern India. But instead he got his Masters at IIT Kanpur, where “We were introduced to computers – that wonder machine – and I was hooked.” Although offered higher paying jobs, he took a job in Ahmedabad because Prof. Krishnayya, who worked at the Indian Institute of Management, told him of “this great, modern mini-computer that he was going to install and that it would be the third business school in the world to install a time-sharing system after Harvard and Stanford. He also said that the atmosphere was collegial, “we’d work 20 hours a day and learn a lot. Taking this job at a salary of Rs 800 a month was the best decision of my life.”

When asked the major influences on his quality of leadership, which he rated a 6 on a scale of 10, Murthy replied: “My father ... was a great fan of Western classical music. On Sundays, he used to play music for an hour. One day I asked him: why should I listen to this alien music? He said: What appeals to me is that in a symphony there are over 100 people, each of whom is a maestro, but they come together as a team to play according to a script under this conductor and produce something divine. They prove that one plus one can be more than two. It’s a great example of teamwork.”

When asked whether he ever had a sense of giving up, he replied “There came a time in 1990 when we were floundering. We had offers to buy us out which my colleagues thought we should consider since we weren’t making too much headway. We had a 4-5 hour discussion and I could feel the sense of despondency. So I pulled a fast one. I said guys don’t worry, I’ll buy you out. I know it’s going to be tough in this country but I have no doubt that we’ll see light. In minutes, they all said we’re with you. From now onwards we will never discuss the issue of closing down, getting tired or giving up. This marathon will be restarted.

“Liberalization brought more companies and more competition, and to ensure that our staff would not leave, Infosys set out to find out why their employees might want to leave us and see if they could create those conditions in Infosys.

“A successful corporation is one that introspects about internal transformation first before blaming the context, competition or external circumstances. We increased our salaries, we introduced a stock option plan so that our people would have much more money than any other Indian company. We also decided to make it a fun place to work because our assets walk out of the door every evening mentally and physically tired. We must make sure that they come back with a zest to work.

“Thanks to the emergence of companies like Amazon.com, the traditional companies have realized that they have to shape up or ship out. So there’s a tremendous emphasis on leveraging the power of the Internet. We understand online transaction processing very well – we have done it for 18 years. E-commerce requires the ability to mount a robust and secure an online transaction processing engine, a certain application layer. The only difference is that you have to create a user-friendly web front end which skill we’ve developed in the last 2-3 years. We have a big advantage of over new e-commerce companies because the design and implementation of a high performance engine is something we’ve been doing for years. U.S. corporations are in a hurry to get on to the e-commerce bandwagon and this is a clear opportunity for us. “My vision is to make Infosys a globally respected software corporation, delivering the best of solutions employing the best in class professionals. That’s different from a multinational corporation, which generally has subsidiaries in different countries, manufactures and sells there. As a corollary to that, I want it to be a place where people of different nationalities, religions and races will come together and compete in an environment of harmony and meritocracy. We believe that the local people are the best people in a given environment.

When we visited him, his company had just lost billions of dollars of stock value and projected growth. Earlier he had stated: “I tell my colleagues not to look at the stock market. What we should worry about day after day is to provide quality products on time, within budget to our customers. We must show transparency to investors, not violate any law of the land, and be in harmony with society. That’s our main charter and we should stick to it. The stock market may or may not reward us even if we do that. This is ephemeral. We should not be too ecstatic about it today or get despondent if it falls tomorrow.” When asked what advice he would give to the next generation of entrepreneurs, Murthy replied: “Leadership is about making what seems impossible, possible; about changing the perception of what reality is. The reality in India is dirty roads, pollution, bad traffic, etc. Reality is what we make it; it is for us to change.

If you give confidence to people they can achieve tremendous things. We have run this company as professionally as any other corporation in the world in terms of the principles of corporate governance, in not using corporate resources for personal conveniences, with respect for the professional.

“Early to bed and early to rise and work like hell. Those people who have entrepreneurial strengths need to get a marketable idea and understand the window of opportunity for it. They have to bring together a team that has mutually exclusive, but collectively exhaustive skills and work out a value system. Entrepreneurship is about running a marathon, not a 100-meter dash.”

What does money mean to Narayana Murthy?

“Beyond a certain level of comfort I think one’s wealth should be seen as an opportunity to make a difference to society. My colleagues think so, too. The power of money is the power to give. Obviously it will have to be done in a gradual manner over the years, but there’s no doubt that a majority of what we have will be given to public causes.”

What drives Murthy then if not money? “There’s a saying in America that the reward for winning a pinball game is to get a chance to play the next one. In most situations, the pleasure comes from the journey, not the destination.”

10. Write case study of Microsoft

A case study On Microsoft

1. Submitted By: Submitted To: Eklavya Sharma Mr. Vikas Kumawat 12EBKEE031 A
CASE STUDY ON

2. INTRODUCTION Microsoft is a multinational computer technology corporation headquartered in Redmond, Washington that develops, manufactures, licenses, and supports a wide range of products and services related to computing. The history of Microsoft began on April 4, 1975. It was founded by Bill Gates and Paul Allen in Albuquerque. Its current best-selling products are the Microsoft Windows operating system and the Microsoft Office suite of productivity software.

3. HOW IT ALL STARTED?... “A computer on every desk, and in every home.”

4. 1975 • Microsoft is founded by Bill Gates and Paul Allen; they sell BASIC, the first PC computer language program to MITS Computer, Microsoft's first customer. 1981 • Microsoft, Inc. is incorporated; IBM uses Microsoft's 16-bit operating system for its first personal computer. 1983 • Paul Allen resigns as executive vice-president but remains on the board; Jon Shirley is made president of Microsoft (he later becomes CEO); Microsoft introduces the Microsoft Mouse and Word for MS-DOS 1.00. . 1985 • Microsoft and IBM forge a joint development agreement. They launch Windows 1.0 (first window based OS) and after that in 1986 Bill gates become youngest billionaire at the age of just 31. 1989 • Microsoft co-develop SQL server 1.0. Contd.... HISTORY OF MICROSOFT

5. 1990 • Jon Shirley retires as president and CEO; Michael R. Hallman is promoted in Shirley's place; the company becomes the first PC software firm to surpass \$1 billion of sales in a single year. 1992 • The company introduces Windows 3.1. Windows now has over 25 million licenced users. 1994 • In this year Microsoft released Windows NT. 1995 • In, 1995 Microsoft launch windows 95 and sell 1 million copies in 4 days. 1997 • The Justice Department alleges that Microsoft violated a 1994 consent decree concerning licensing the Windows operating system to computer manufacturers •The U.S. Department of Justice files two antitrust cases against Microsoft, alleging the company had violated the Sherman Act.1998 Contd....

6. 2001 • Microsoft Windows XP is released internationally. In 2002, Great plain software is acquired by Microsoft. 2003 • Microsoft launches Windows Server. 2004 • Microsoft announces a five-country pilot program for Windows XP Starter Edition, a low-cost introduction to Windows XP designed for first-time desktop PC users in developing technology markets. 2005 • MSN launches a new Search service, available in 25 markets and 10 languages. The new MSN Search service delivers results of greater relevance, instant answers to specific questions, and a collection of tools that give Internet users greater control in targeting and refining searches. 2007 • Windows Vista was released to consumers along with a new version of its Office suite, called Microsoft Office 2007 •First beta of .NET framework released. 2000 Contd....

7. 2008 • Bill gates leaves Microsoft to pursue charity work. 2009 • In this year Microsoft released windows 7. Beats all previous records of sales. 2010 • For the first time, Apple comes close to Microsoft and becoming the most valuable technology company in America. 2012 • Microsoft launch windows 8 (for all people), .NET framework 4.5, Internet Explorer 10 etc. 2013 • Windows 8.1 was released to consumers along with Office 2013. 2014 • Microsoft Lumia 535, the first Microsoft Branded Lumia Device. 2015 • Microsoft Windows 10 will be launched along with Office 2016.

8. 4 APRIL 1975 • Paul Allen and Bill Gates, childhood friends with a passion in computer programming, were seeking to make a successful business utilizing their shared skills. • They developed the interpreter on a simulator • They demonstrated the interpreter to MITS in Albuquerque, New Mexico in March 1975 • They officially established Microsoft on April 4, 1975, with Gates as the CEO

9. MICROSOFT'S BUSINESS SEGMENTS • Client • Server and Tools • Online Services Business • Microsoft Business Division • Entertainment and Devices Division

10. SERVICES

11. VISION AND MISSION • "A computer on every desk, and in every home." • "Create experiences that combine the magic of software with the power of Internet services Across a world of devices." • At Microsoft, our mission is to enable people and businesses throughout the world to realize their full potential • Our vision is to create innovative technology that is accessible to everyone and that adapts to each person's needs. Accessible technology eliminates barriers for people with disabilities and it enables individuals to take full advantage of their capabilities." —Bill Gates, Chairman, Microsoft Corporation

12. COMPETITOR's For WINDOWS O/S

13. Microsoft Apple Oracle

14. CONCLUSION ♣ Microsoft Corporation has adopted the "Performance Culture Model" as the best approach to drive its success. ♣ The critical people metrics are categorized and measured as per the Growth Pyramid shown in Figure. ♣ Categories across which the surveys are done, analyzed, and the results published- 1. Organization: Organization size, Open Positions, line HR ratios. 2. Organization Health: Workgroup Health Index, Microsoft Pulse Index, Microsoft Culture Index.

11. Case study on G R Gopinath (Check the mail for complete document)

12. Explain about IPR.

INTRODUCTION TO INTELLECTUAL PROPERTY RIGHTS(IPR)

IP Evolution

Property → Right

INTELLECT – PROPERTY – RIGHT

Idea → Expression → COPYRIGHT

Idea → Innovation → Invention → PATENT

Idea → Quality + Identity → TRADEMARK

Idea → Appearance → DESIGN

**Idea → Keep Confidential
No Disclosure } → TRADE SECRETS**



12
9

Intellectual property (IP) refers to **creations of the mind**: inventions, literary and artistic works, and symbols, names, images, and designs used in commerce.

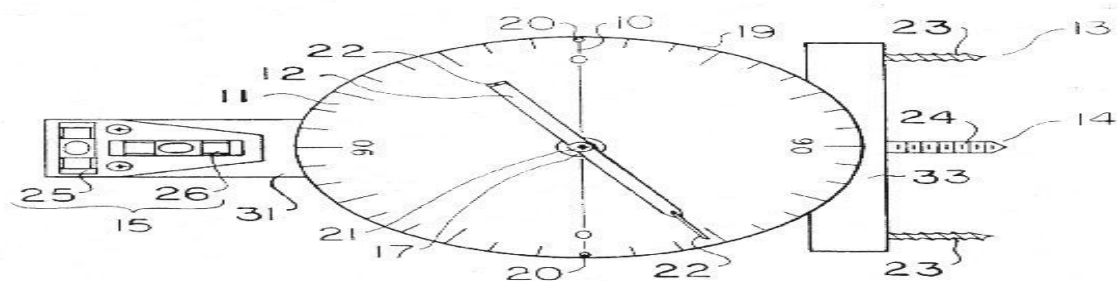
Creativity is the ability to

- Think / come up with new idea, Design new “inventions”, Produce “works of art”, Solve problems in new ways, or develop a new idea based on an “original” knowledge. Novel or unconventional approach.
- **Intellectual Property (IP)** is any creations of human mind.
- Like tangible property, their creation has a value and, as with all property, it needs to be protected
- **Intellectual Property Rights (IPR)** gives them this protection,
- as well as helping them exploit and control their IP.
- “The exclusive right granted by State, to prevent others from using, manufacturing, distributing - inventions, processes, applications, new and original designs, trademarks, new plant varieties, data bases and artistic and literary works”. Such a person is known as ‘rights owner’ or ‘rights holder’.

Patents –

- Grant of a property right to the inventor Issued by the *Patent and Trademark Office* Term of a new patent is *20 years* from the date on which the application for the patent was filed in the United States US patent grants are effective only within the US, US territories, and US possessions. The right to **exclude** others from making, using, offering for sale, or selling” the invention in the United States or “importing” the invention into the United States **Not** the right to make, use, offer for sale, sell or import, but the *right to exclude others from making, using, offering for sale, selling or importing the invention*

United States Patent		[19]	[11] Patent Number:	5,488,777
Erdesky		[45]	Date of Patent:	Feb. 6, 1996
[54]	UTILITY LINE ANGLE MEASUREMENT DEVICE			
[76]	Inventor: William Erdesky, 502 Sutherland St., Durham, N.C. 27703			
[21]	Appl. No.: 309,653			
[22]	Filed: Sep. 21, 1994			
[51]	Int. Cl. ⁶ G01C 1/00			
[52]	U.S. Cl. 33/280; 33/285; 33/370; 33/375			
[58]	Field of Search 33/263, 276, 277, 33/278, 280, 285, 1 N, 341, 343, 347, 351, 353, 370, 371, 373, 374, 375, 381, 382			
[56]	References Cited U.S. PATENT DOCUMENTS 396,279 12/1897 Potter 33/375 974,007 10/1910 Wolcott 33/280 1,050,393 1/1913 Raymond 33/277 2,008,113 7/1935 Sherritt 33/280 2,679,105 5/1954 Herrick 33/277 2,697,232 12/1954 Sturdevant 33/280 3,382,754 5/1965 Lunden 33/263 3,858,326 1/1975 Hurd 33/277 4,245,393 1/1981 Zano et al. 33/276 FOREIGN PATENT DOCUMENTS 238371 1/1960 Australia 33/278 5091 of 1916 United Kingdom 33/280			
Primary Examiner—Thomas B. Will Attorney, Agent, or Firm—Peter Gibson				
15 Claims, 1 Drawing Sheet				



- ▶ **Patent Laws** Constitution of the United States gives Congress the power to enact laws relating to patents, in Article I, section 8, which reads “Congress shall have power . . . to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries”. Specifies the subject matter for which a patent may be obtained and the conditions for patentability Establishes the Patent and Trademark Office (PTO) to administer the law relating to the granting of patents, and contains various other provisions relating to patents. Statute says, "any person who invents any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof"
- ▶ Process: Process, act or method, and primarily includes industrial or technical processes
- ▶ Machine: Self explanatory
- ▶ Manufacture: Articles which are made, including all manufactured articles
- ▶ Composition of Matter chemical compositions and may include mixtures of ingredients as well as new chemical compound. Utility subject matter has a useful purpose and also includes operativeness Invention must "work" to be useful Novelty Must not be known or used by others in this country Or patented or described in a printed publication in this or a foreign country. Non-obviousness The subject matter sought to be patented must be sufficiently different from what has been used or described before that it may be said to be non obvious to a person having ordinary skill in the area of technology related to the invention
- ▶ **Patent and Trademark Office (PTO)** Issue patents on behalf of the Government Headed by Commissioner of Patents and Trademarks
Part of Department of Commerce Administers the patent laws as they relate to the granting of patents for inventions Examines applications for patents
Publishes issued patents and various publications concerning patents
Similar functions are performed with respect to the registration of trademarks No jurisdiction over questions of infringement and the enforcement of patents Divided among a number of examining groups, each group having jurisdiction over certain assigned fields of technology
Application = written document which comprises a specification (description and claims), and an oath or declaration
Drawing or reduction to practice
Filing fee Filing date of an application for patent determines priority (first to file wins!!)
Designed to provide a lower cost first patent filing in the United States Establish an early effective filing date in a patent application
Permits the term “Patent Pending” Applicant would then have up to twelve months to file a non-provisional application for patent. Laws of nature, physical phenomena and abstract ideas are not patentable subject matter
- ▶ Cannot obtained a patent for a mere idea or suggestion Reduction to Practice of the actual machine or other subject matter for which a patent is sought is required. Unauthorized making, using, offering for sale or selling any patented invention within the United States Patentee may sue for relief in the appropriate Federal court where remedies include: injunction to prevent the continuation of the infringement Money damages because of the infringement Appeal to the Court of Appeals for the Federal Circuit, then US Supreme Court (writ of certiorari)

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Registration establishes a public record of the copyright claim

Required before an infringement suit may be filed in court (Jurisdictional prerequisite)

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Example: (P) 2001 A. B. C. Records Inc.
