1) Who is an Entrepreneur & Intrapreneur?

BASIS FOR COMPARISON	ENTREPRENEUR	INTRAPRENEUR
Meaning	Entrepreneur refers to a person who set up his own business with a new idea or concept.	Intrapreneur refers to an employee of the organization who is in charge of undertaking innovations in product, service, process etc.

Differences	Entrepreneur	Intrapreneur
Dependency	An entrepreneur is independent in his operations	An intraprenuer is dependent on the entrepreneur, i.e. the owner.
Raising of Funds	An entrepreneur himself raises funds required for the enterprise.	Funds are not raised by the Intrapreneur.
Risk	Entrepreneur bears the risk involved in the business.	An intraprenuer does not fully bear the risk involved in the enterprise.
Operation	An entrepreneur operates from out side	On the contrary, an intraprenuer operates from within the organization itself.
Orientation	An entrepreneur begins his business with a newly set up enterprise.	An intrapreneur sets up his enterprise after working someone else's organization.
Experience	As an entrepreneur establishes new business, so he does not possess any experience over the business.	An intrapreneur establishes his business after gathering experiences through working in the other organizations.

2) What is an Entrepreneurship and Economic growth?

Entrepreneurship is an act of being an entrepreneur, or "the owner or manager of a business enterprise who, by risk and initiative, attempts to make profits".

The most prominent example of entrepreneurship is the starting of new businesses.

Characteristics of Entrepreneurship:

Ability to take a risk - Entrepreneur needs to be courageous and able to evaluate and take risks, which is an essential part of being an entrepreneur.

Innovation - It should be highly innovative to generate new ideas, start a company and earn profits out of it.

Flexible - An entrepreneur should be flexible and open to change according to the situation.

Know your Product - A company owner should know the product offerings and also be aware of the latest trend in the market.

Entrepreneurship Accelerates Economic Growth: **(make points)**

Entrepreneurs are important to market economies because they can act as the wheels of the economic growth of the country.

By creating **new products and services**, they stimulate new employment, which ultimately results in the acceleration of economic development. So public policy that encourages and supports entrepreneurship should be considered important for economic growth.

A large number of **new jobs and opportunities** are created by entrepreneurship. Entrepreneurship creates a huge amount of entry-level jobs that are very much important to turn unskilled jobholders into skilled ones. It also prepares and provides experienced workers to large industries. The increase in the total employment of a country largely depends on the rise of entrepreneurship. So the role of entrepreneurship in creating new job opportunities is huge.

By bringing innovation to every aspect of businesses, entrepreneurial ventures enhance production **utilizing the existing resources in the most effective ways**. Entrepreneurs develop new markets by introducing new and improved products, services, and technology. Thus, they help generate new wealth and add more to the national income. So the government can offer the citizens more national benefits.

3) Write about Small Scale Industry in India, Objectives, and Linkage among small, medium and heavy industries?

Small Scale Industry in India: Small scale industries are those industries which manufacture, produce and render services with the help of small machines and less manpower. These enterprises must fall under the guidelines, set by the Government of India.

These industries are generally labour-intensive, and hence they play an important role in the creation of employment.

Examples of small scale industries in India: chocolates,bakeries, school stationaries, paper bags, photography, etc...

Objectives of SSI: The objectives of the small scale industries are:

- To create more employment opportunities.
- To help develop the rural and less developed regions of the economy.
- To improve the standard of living of people.
- To ensure equal distribution of income and wealth.
- To solve the unemployment problem.
- To attain self-reliance.
- To adopt the latest technology aimed at producing better quality products at lower costs.

THE MIDMARKET INSTITUTE

Differences between companies - Small, Medium & Large

Small Businesses	Medium Businesses	Large Businesses
Equity held by founder/family	Mostly privately held – family/P-E; few with public	Mostly public investor-held equity
Owner-managed	Owners + professionals in key roles	Professional management
Decision-making largely by owner	Decision-making by owner/CEO and some key leaders (single/dual)	Distributed decision-making by organizational hierarchy
Short-term (seat-of-the-pants) planning– primarily by owner	Some long-term planning – mostly by owner/key executives	Extensive long-term planning horizon by dedicated teams
Informal processes; mostly 'people' get things done	Some formal processes; 'people' get many things done	Formal structure & processes – mostly people-independent
Most capital needs met by leveraging personal net worth	Limited sources of capital, some hard to access	Wide range of funding sources
Small customer base – generally local markets	Limited customer base – limited to geographical or industry niche	Diverse markets (many global) with diverse customers
Limited personnel development opportunities	Personnel development limited to key employees	Multiple career development paths and programs
Little external input – mostly from friends and network	Little external input - from friends, network & 'trusted' professionals	Significant external inputs – from network and consultants; have separate governance structure

4) Who are the Emergence of First generation entrepreneurs?

First generation entrepreneurs are people who are first in their family to start their own business. They lack a business background. There is no one in their family to guide them. Most of the time their families don't support their business ventures.

First Generation Entrepreneurs have to struggle much more than a next generation entrepreneur who has a family business to back him up. A first-generation entrepreneur has to learn from his own mistakes and avoid making those mistakes again.

Here are some things that a first-generation entrepreneur needs to know:

1. **Once you take a leap there's no looking back:**

   Many businessmen focus on the exit strategy. Once you decide that you want to do a business you have to keep going.

   There might be times you think that you made a wrong decision, but always know that this is part and parcel of the businessman's life to think so. You are not alone. You have to survive your worst days.

2. **Manage your finances well:**

   Money is always short and it will never be enough. But you have to pay the bills. Focus on your monthly finances.

   If you have excess cash, don't keep it idle. Invest it till you need it.These investments will help you get through the bad periods.

3. <u>No fast expansion:</u>

Many successful businesses failed because they expanded too quickly. Don't make that mistake.

You have to build a solid business before you can expand.

4. <u>Profitability:</u>

Businesses survive on profits.

One of the mistakes entrepreneurs make is they focus on profits from day one.

In the initial years focus on the revenue. Try to increase your sales and keep your costs low.

In the first 3 years of your business don't look for profits, but try to grow your cash inflows. Avoid unnecessary business expenses. You will start making profits sooner than you expect.

5. <u>Marketing:</u>

People do business with people they know. If people don't know you, how will they buy from you.

Marketing your business on the right platforms will give you a brand presence.

People should keep seeing your business name. They should know that you exist & what are your offerings. They will come to you eventually. And ultimately your customers will get you more customers if they are happy with your service.

5) What are the different Types of enterprises?

1. Sole Proprietorship

A sole proprietorship is a type of an unorganised entity that is owned by one individual only.

These can include 'trade' business, such as painters and decorators. And, in the modern era, many online businesses can fall into this category, from smaller enterprises selling products via Etsy(e-commerce company) or similar platforms to larger ones with a website and app.

2. Partnership

Partnerships usually consist of a small number of individuals who share ownership and decision-making (as well as profits).

In some cases, such as legal firms, each partner may bring a particular speciality to the business to expand the overall services.

3. Private Limited Companies (Ltd.)

These companies are privately held by the people. They are mostly preferred as a common business organization in India.

Shareholders may operate the business themselves, or hire directors to manage the company on their behalf.

It is a most popular legal structure for business.

4. Public Limited Companies (PLC)

Often confused with private limited companies, PLCs differ in that; shares in the enterprise can be sold to the general public.

To do this, they have to meet certain regulatory and legal criteria regarding the business's financial health, transparency of their accounts, how long they have been trading, and more. Being able to sell public shares can be useful in raising funds for things like expansion.

6) Write about Indian Industrial Environment-Competence, Opportunities and Challenges?

The industrial policy of the government is one of the most important documents, which causes a lasting impact on the country's industry.

It is a policy document prepared by the government that establishes how the industrial environment of the country will be performing in the future.

Competence:

- Investment capabilities are enhanced to a great extent.
- Infrastructural facilities like land, buildings, power, fuel, transport, communication network etc. are vastly improved.
- Skilled labour, technical experts and professional managerial skills are available.
- Technology can be obtained easily. Various R & D laboratories are available for developing process and products.
- Capability of meeting international quality standards.
- Governmental support and encouragement.

Opportunities:

- Availability of highly skilled labour, Engineers, managerial experts.
- Large population creating vast and diversified market.
- Government support and encouragement by way of incentives and subsidies.
- Availability of research and development laboratories both in public and private sector like CSIR, CITD, CIPET, ETDC, ERTL etc.
- Availability of Communication network and Information technology.

- Availability of land, Industrial estates and infrastructural facilities. A number of institutions and organizations are engaged in the development of entrepreneurship.
- District Industries centre (DIC), Indian investment centre (IIC).
- Small Industries Development Organization (SIDO), Small Industries Service Institutes (SISI).
- National research Development Corporation of India (NRDC).
- National Small Industries Corporation Ltd. (NSIC), National Alliance of Young Entrepreneurs (NAYE), Technical Consultancy Organizations (TCO), APITCO, KITCO etc.
- A number of financial institutions are assisting the entrepreneurs in meeting their capital requirements State Financial Corporations (SFCs), IDBI, IFCI, ICICI, etc.

Challenges:

- Competing in the global market both in terms of quality and cost of production.

- Concentration on promising areas ensuring high quality, attractive packaging, acceptable delivery, adequacy of supplies, strong home market.

- Increasing the capacity of borrowing on commercial terms.

- Emphasis on knowledge management.

- Acquiring high technology and improved processes and constant updating.

7) Write about Identification and characteristics of entrepreneurs?

Identification of entrepreneurs:

Initiative: It is Entrepreneur who initiates a business activity.

Looking for opportunities: Looks for an opportunity and takes opportunity actions as and when it arises.

Persistence: Makes repeated efforts to overcome obstacles that get in theway of reaching goals.

Information Seeker: Seeks the information which is required for thebusiness.

Committed to work: Works hard

Quality Consciousness: Excel to beat the existing standard

Efficiency Seeker: Looks to complete the task within minimum cost andtime.

Proper planning: Formulates proper plan and executes rigorously to accomplish the task.

Problem solver: Find ways and means to tide over the difficult times.

Self Confidence: Highly confident

Persuasive: Good negotiator

Efficient monitor: Personally supervises the work

Employees well-wisher: should think about the welfare of the employees.

Characteristics of an Entrepreneur:

(a) Creativity:

Entrepreneurs usually have the knack to pin down a lot of ideas and act on them. Not necessarily every idea might be a hit. But the experience obtained is gold.

Creativity helps in coming up with new solutions for the problems at hand and allows one to think of solutions that are out of the box.

(b) <u>Professionalism:</u>

Professionalism is a quality which all good entrepreneurs must possess. Along with professionalism comes reliability and discipline. Self-discipline enables an entrepreneur to achieve their targets, be organized and set an example for everyone.

Reliability results in trust and for most ventures, trust in the entrepreneur is what keeps the people in the organization motivated and willing to put in their best. Professionalism is one of the most important **characteristics of an entrepreneur.**

(c) <u>Risk-taking:</u>

Risk-taking ability is essential for an entrepreneur. Without the will to explore the unknown, one cannot discover something unique.

Entrepreneurs have a differentiated approach towards risks. Good entrepreneurs are always ready to invest their time and money. But, they always have a backup for every risk they take.

Also, evaluation of the risk to be undertaken is also essential. Without knowing the consequences, a good entrepreneur wouldn't risk it all.

(d) <u>Planning:</u>

Perhaps, this is the most important of all steps.

Planning is strategizing the whole game ahead of time. It basically sums up all the resources at hand and enables you to come up with a structure for how to reach your goal.

The next step involves how to make optimum use of these resources. Facing a situation or a crisis with a plan is always better. It provides guidelines with minimum to no damage incurred to a business. Planning is one of the most important **characteristics of an entrepreneur**.

(e) Knowledge:

Knowledge is the key to success. An entrepreneur should possess complete knowledge of his industry. For only with knowledge a difficulty be solved.

It enables him to keep track of the developments and the constantly changing requirements of the market that he is in.

May it is a new trend in the market or advancement in technology, an entrepreneur should keep himself alongside of it.

He should know what his strengths & weaknesses are so that they can be worked on and can result in a healthier organization.

A good entrepreneur will always try to increase his knowledge, which is why he is always a learner.

8) Write about Analysis of market demand, Financial and profitability analysis in India?

(a) Analysis of market demand:

Demand analysis is the research conducted by companies that aim at understanding customer demand for a certain product.

A company's success or failure depends on the ability to identify and satisfy customers' needs.

There are five steps to consider in demand analysis:

1. **Identify the market:** The first thing you should do is identify the market you aim to target with your new goods. For this purpose, firms conduct market surveys to receive feedback from customers about the product and

evaluate the level of customer satisfaction. If clients demonstrate their dissatisfaction with it, companies try to optimize a product to meet customer demand.

2. **Assess the business cycle:** Once a market is defined, you can proceed to estimate the stage of the business cycle, which has three stages. In the first, emerging stage, there's a high demand and a low supply of goods. The supply of products meets the market demand in the second, plateau stage, while in the third, declining stage, the demand for the products is lagging.
3. **Create a product that meets a particular function:** You need to create a product that suits a particular function within the market. Develop your products so that they can meet the needs of your consumers.
4. **Define your advantage:** Developing products that can resolve customers' problems allows you to create a sense of usefulness and increase demand.
5. **Determine your competitors:** Define the number of your competitors and their market share. It depends on the stage of the business cycle you're in at a particular moment.

(b) Financial Analysis:

Financial analysis helps company owners in understanding their business performance, financial status, and growth rate.

There are some key elements of financial analysis, *such as*

- **Income statement** which indicates the performance of any business gains for a particular period,
- **Balance sheet** which indicates the *financial statements like assets and liabilities, and*
- **Cash flow statement** which indicates the cash inflows and outflows.

E.g. Discover Financial Services announced its March 2021 earnings per share (EPS) at $5.04 (quarterly report), and it was $2.59 in December 2020.

Types of Financial Analysis:

Two major types of financial analysis are fundamental analysis and technical analysis.

Fundamental analysis - Fundamental analysis is a method of determining a stock's real or "fair market" value.

Technical analysis - Technical analysis is a method, used to predict the probable future price movement of a security – such as a stock based on market data.

(c) Profitability Analysis:

Profitability analysis is part of enterprise resource planning (ERP) and helps business leaders to identify ways to optimize profitability as it relates to various projects, plans, or products.

In order to maximize profits, business leaders first need to understand the drivers behind their profits. This helps to create efficiencies in the processes and activities that generate revenue.

The analysis helps to identify ways to enhance product mixes to maximize profits both in the near and short term. The ability to identify both short- and long-term product mixes also helps management to determine what modifications, if any, need to be made to the business.

Common Methods Of Performing Profitability Analysis:

(a) Profitability Ratios - Profitability ratios are financial metrics that are used to gather information on how well the business can generate revenue.

(b) Qualitative Analytics - It is important for leaders to frequently estimate the various market conditions and relevant customer behaviour patterns.

9) Write about Conception and evaluation of ideas and their sources?

Business idea Conception: it is defined as a concept or response to a particular problem, which, if properly worked on and planned for, can translate into business enterprise.

Sources of business ideas:

The entrepreneur has to first search for a sound and workable business idea and must give a practical shape to it. He should be convinced that the idea is sound and likely to give a reasonable return on his investment.

Project ideas originate from the various sources or due to different reasons like:

- The success story of a friend/relative,
- Experience of others in manufacture/sale of product,
- Demand for certain products,
- Chances of producing a substitute of an article import for which there is good demand
- Visits to trade fairs,
- Study of Project profiles and industrial potential surveys,
- Meeting government organizations
- Review of imports and exports
- Suggestions of financial institutions and development agencies
- Possibilities of reviving sick units
- Unfulfilled psychological needs of customers
- Economic and social trends
- Study of outlays of government expenditure
- New technological developments etc., and of course the motivation, background and skill of the entrepreneur and his associates.
- It may also include: 1) Changes in the environment, 2) Technological discovery and advancement, 3) Government's thrust programs and policies, 4) People's interest and 5) past experiences

Evaluation of ideas: Evaluation and preliminary screening are needed to eliminate ideas whose first view is not promising. The following aspects will be helpful in evaluating the ideas in the initial stages.

Compatibility with promoter

- Interest
- Personality
- Resources

Consistency with government priorities

- Consistent with national goals and priorities
- Environmental effects
- licenses

Availability of inputs

- Capital requirements
- Technical know-how
- Raw materials
- Power requirements

Adequacy of market

- Competitors and market share
- Export market
- Price profile
- Sales and distribution system

Consumption patterns

- Reasonableness of cost
- Cost material inputs
- Labor costs
- Economies of scale
- Overheads

Acceptability of risk level

- Vulnerability to business cycles
- Technological changes
- Competition from substitutes, imports
- Government controls over price and distribution

10) Write about Choice of Technology - Collaborative interaction for Technology development?

Choice of Technology - collaborative interaction for technology development:

- Choice of technology is the most important decision from the accelerated development point of view. So, entrepreneur should take this decision very seriously and carefully.
- If an entrepreneur has committed mistakes in selection of technology, the only result is the failure of planning as well as lack of confidence towards planning.
- So an accelerated pace of economy and the enterprise concerned is directly related with choice of technology.

Collaborative interaction for technology development is shown in the below figure,

Technology Choice:

1. **Cost-Benefit analysis:** If consumers want to buy (expensive) products, they compare the costs and its qualifications of that product with opportunities to use their resources for other products. Producers do more or less the exact same thing, while selecting their production technologies. They too apply cost-benefit analysis.
2. **Schedule of requirements:** This activity starts with the market analysis. To impress the quality of the product the technology is used.
3. **Production costs:** Producers aim at minimizing production costs. This is important in most industries, but certainly in the ones with heavy competition. Production technology choice influences production costs considerably. In particular when economics of scale apply. This means that the cost per product reduces with a growing production volume.
4. **Flexibility:** In industries where new product introductions and production technology developments are frequent, companies should select technologies that allow them to adapt production to changing product specifications.
5. **Expansion capacity:** All companies think about expanding their market share and may consider expanding production at new locations. It is important for firms to think about these strategies prior purchasing production technology. There may be strings attached to the purchase of technology.
6. **Adaptation:** It may also be necessary to adapt the product to specific demand characteristics and government regulations & standards for the domestic market. In most situations the supplier of the production technology is in the best situation to adapt the technology to its new environment, because they usually have the capacity (technicians) and the technical understanding. The producers themselves are more equipped to adapt products to the local market and government regulations.

Collaborative interaction for Technology Development:

- Sharing investment costs
- Exchanging expertise and technological knowledge
- Joint Research and development efforts for mutual benefits
- Expanding market share and competitive advantage
  E.g.: Manufacturing: Maruti Suzuki, etc.
- Servicing: TATA-AIG, Bajaj-Allianz, etc.