

# ASSIGNMENT-1

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## 1. Classify different types of Entrepreneurs.

Entrepreneur is a person who isolates purchase & sales opportunities & exercises his intelligence & overcoming spirit to utilize such opportunities to increase his economic power.

He is a person who assumes the risk & management of his business.

→ Entrepreneur is a person who provides the fourth factor of production namely enterprise.

→ The three factors are Labor, Land & Capital.

→ The fifth factor is Science & technology.

## Classification of entrepreneurs.

### 1. Innovative entrepreneurs

→ Aggressive in experimentation.

→ Sees the opportunities for introducing new things.

→ Clear in putting attracting possibilities in to practice

### 2. Adoptive or Imitating entrepreneurs.

→ Ready to adopt successful innovations initiated by others.

→ Imitates techniques & technology.

→ Much suitable in developing countries.

### 3. Fabian entrepreneurs.

→ Show great caution & skepticism in practicing any change.

→ Have neither will to introduce new changes nor desire

to adopt new methods

→ Why & lazy.

→ Try to follow foot steps of their predecessors.

→ Follow customs, traditions & past practices.

#### 4. Drone entrepreneurs.

→ Refusal to adopt & use opportunities to make changes in production.

→ They may suffer losses but do not change production methods.

→ They are likely to be pushed out of market because of their uneconomical operations.

#### 5. Inheritance.

#### 6. Technologist.

#### 7. Forced.

#### Other classification.

1. Individual - Institutionalized
2. First generation - Established.
3. Men - Women.
4. Rural - Urban.
5. Born - Manmade.
6. Small scale - Large scale.

2. Explain the concept & salient features of small scale industries.

(SSI)

Small Scale Industries: A unit where investment in fixed assets in plant & machinery is only upto Rs 5 crores is defined a small scale unit, whether held on ownership terms or by lease or by hire-purchase.

- The role of SSI units is significant in overall growth of the economy in our country.
- SSIs are especially important in the context of to employment potentials, equitable distribution of wealth, balanced regional growth & preservation & development of ancient art & craft.
- At present, in our country, SSI contribute nearly 55% of the total industrial output & 40% of the total exports.
- SSI has also achieved a high degree of sophistication & has been making significant progress in quality up gradation & standardization.
- Small enterprises are able to successfully adapt to the changing situations & possess creative strength.
- SSI has low capital intensity & high labor orientation.
- The rapid & diversified growth of SS units has been contributing to the nation's economic development.

Objectives :

1. Expanding employment opportunities.
2. Adoption of modern techniques.
3. Dispersal of industries in rural areas.
4. Production of consumer goods on large scale.



5. Mobilization of local skills & capital.
6. Equalitarian distribution of income & wealth widely in society.
7. Bring out the latent potentials & skills in the entrepreneurs.

3. Explain the role of entrepreneurs in developing the economic status of a country.

Economic development essentially means a process of upward change whereby the real per capita income of the country increases over a period of time.

Entrepreneurs play a vital role in economic development. Entrepreneurs serve as the catalysts in the process of industrialisation & economic growth.

Technical progress alone cannot lead to economic development, unless technological ~~break~~ breakthroughs are put to economic use by entrepreneurs.

Entrepreneurs initiate & sustain the process economic development in following ways:

#### 1. Capital formation.

Entrepreneurs mobilize the idle savings of the public through the issues of industrial securities.

Investment of public savings in industry results in productive utilization of the national resource.

Rate of capital formation increases which is essential for rapid economic growth.

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Thus, an entrepreneur is the creator of wealth.

## 2. Improvement in Per Capita Income.

Entrepreneurs locate & exploit opportunities. They convert the latent & idle resources like land, labour & capital into national income & wealth in the form of goods & services.

They help to increase net national product & per capita income in the country, which are important yardsticks for measuring economic growth.

## 3. Generation of employment :

Entrepreneurs generate employment both directly & indirectly.

Directly, self employment as an entrepreneur offers the best way for independent & honorable life.

Indirectly, by setting up large & small scale business units they offer jobs to millions.

Thus entrepreneurship helps to reduce the unemployment problem in the country.

## A. Balanced Regional Development.

Entrepreneurs, in public & private sectors help to remove regional disparities in economic development.

They set up industries in backward areas to avail various concessions & subsidies. Subsidies offered by the central & state government.

Public sector steel plants & private sector industries by Modis, Tatas, Birlas & others have put the hitherto unknown places on the international map.



### 5. Improvement in living standards.

Entrepreneurs set up industries which remove scarcity of essential commodities & introduce new products.

Production of goods on mass scale & manufacture of handicrafts etc, in the small scale sector help to improve the standards of life of a common man.

These offer goods at lower costs & increase variety in consumption.

### 6. Economic Independence.

Entrepreneurship is essential for national self reliance. Industrialists help to manufacture indigenous substitutes of hitherto imported products thereby reducing dependence on foreign countries.

Business men also export goods & services on a large scale & thereby earn the scarce foreign exchange for the country.

Such import substitution & export promotion help to ensure the economic independence of the country without which political independence has little meaning.

### 7. Backward & Forward Linkage

An entrepreneur initiates change which has a chain reaction. Setting up of an enterprise has several backward & forward linkages.

4. Describe the status of women entrepreneurs in India & mention favorable conditions that they have to become entrepreneurs.

- Women constitute about 50% of the world population.
- Women have been victims of social prejudices & assumptions.
- In traditional societies, women had been confined to the four walls of home, children, household affairs & family rituals & customs.
- In recent years, women have been in the forefront in different walks of life & competing successfully with men despite the social, psychological & economic barriers because of educational, political awakening, legal safeguards, urbanization, social reforms etc.
- In the 7th five year plan, a special chapter on women's development has been included giving the plan of action for "integration of women" in development.
- The new industrial policy of Govt. of India has specially highlighted the need for conducting training programs for women.
- The training programs should be reoriented to include imparting new skills in various areas rather than emphasizing only on female oriented courses like stitching, embroidery, household decoration etc.
- With the spread of education & new awareness, women entrepreneurs are entering the fields of higher levels of 3Es - Engineering, Electronics & energy.

→ The Govt of Kerala provides a lot of assistance to women entrepreneurs in Kerala through agencies like KITCO, DICs.

The areas of assistance include preparation of project reports, meeting the cost of machinery & buildings.

Training & hiring managerial personnel.

Sales tax exemption for 6 years. ; Meeting 100% Cost of technical enterprise.

→ The factors encouraging women to become entrepreneurs are :

#### 1. Pull factors.

- Women choose a profession as a challenge & adventure.
- Urge to do something new.
- Liking for business & to have independent occupation.

#### 2. Push factors

- Takes up enterprise to get on financial difficulties.
- Thrusted responsibility due to family circumstances.



5. List out various opportunities & challenges of Entrepreneurs in Indian context.

Opportunities for entrepreneurs in India.

1. A number of institutions & organizations are engaged in the development of entrepreneurship.

→ District Industries centre (DIC)

Indian investment centre (IIC)

Small Industries centre for Development Organisation (SIDO)

Small Industries Service Institutes (SISI)

National research Development Corporation of India (NRDC)

National Small Industries Corporation Ltd (NSIC)

National Alliance of Young ~~Enterp~~ 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.

→ Availability of highly skilled labor, engineers, managerial experts.

→ Large population creating vast & diversified market.

→ Government support & encouragement by way of incentives and subsidies.

→ Availability of research & development laboratories both in public & private sector.

CSIR, CITD, CIPET, ETDC, ERTL etc.

→ Availability of communication network & information Technology.

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→ Availability of land, Industrial estates & Infrastructural facilities.

### Challenges

- Competing in the global market both in terms in quality & 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. (Increasing credit worthiness).
- Emphasis on knowledge management.
- Acquiring high technology & improved processes & constant updating.