(6) Entrepreneur:-

The Entrepreneurs can identify opportunities to start a business either as a manufacturer or as a distributor for entrepreneurship exists in every field of economic endeavor. Manufacturing activities requires a relatively high capital investment and a greater degree of entrepreneurial abilities than distribution activities. It also has been developed in the trading sector.

Entrepreneur performs various primary functions from the stage of starting an enterprise to its success level. These functions are in sequential manner.

Functions of Entrepreneur.

I Primary function	II Other functions	III functions important for developing countries
1. planning	1. Diversification of production	1. Management of share resources
2. Organisation	2. Expansion of the enterprise	2. Dealing with public bureaucracy
3. Decision Making	3. Maintaining cordial employer & employee relations	3. Acquiring and assembly of factory.
4. Management	4. Tackling labor problem.	4. Engineering
5. Innovation	5. coordination with outside organiser.	5. New product
6. Risk Bearing		6. parallel opportunity
7. uncertainty Bearing		7. Marketing :-

Functions of Entrepreneur as follows:-

1. planning:-

It is the first step in the direction of setting up of an enterprise. He prepares blue print of proposed project in a formal systematic format it is submitted to the authorities concerned for obtaining the legal sanction for the venture planning process involves the following steps:

a) scanning of best and suitable idea
b) selection of product line
c) Determination of type of business organisation
d) Estimation of capital needed
e) selection of capital resources
f) selection of location
g) studying the Govt rules, regulation and polices
h) selecting the way to fulfill the Govt formalities
i) study of availability of labor force
j) study of market and market stratgy to be adopted.

2. organisation :- An entrepreneur coordinates assembles and supervises land labor and capital during the promotion stage and at the performance stage for optimum utilization of resources. and at the performance stage for optimum utilization of resources. Efficient expansion and growth of the enterprise largely depends on the efficiency of the organisational networks employed and monitored by the entrepreneur.

3. Decision Making :- Arthur H. cole has described the entrepreneur as a decision maker.
As a decision maker he takes various decisions regarding following matters :-

a) Determination of the business objective of the enterprise
b) Decision regarding procurement of machine, material, men money and market.
c) Decision regarding acquisition of efficient technology and new equipments.

d) Decision regarding development of a market for the product
e) Maintenance of good relations with public authorities and with society at large.

4. Management :-
The Management with reference to entrepreneur stands for not only the working of the venture but also managing of the day to day problems. It includes future expansion and polices in the long run.
Direction of men, machine, material, money, organising land, labor and capital for the enterprise.

5. Innovation :-
Implies doing of new things or doing of things that are already being done in a new way".
Schumpeter considered economic development as a desire dynamic change brought by entrepreneur by instituting new combinations of production. According to him innovation may occur in any of the following five forms.
a) Launching of new product in market.
b) Introduction of new technology in the production
c) creation of new market
d) Discovery of new and better source of raw material.
e) creation .

6. Risk Bearing :-
An entrepreneur undertakes the responsibility for loss that may arise due to unforeseen contingencies in future. He guarantees interest to creditors, wages to labor, and rent to the landlord and risk can be insured.

7- Uncertainty Bearing:-
Risk which cannot be insured against and it is incalculable.

Entrepreneur bears uncertainty refers to the uncertain trends of market, trade credits, etc. which by its nature cannot be insured or capitalised or salaried too.

SHORT:-

Tax Holiday:-

Under section 80 of the Income tax Act 1961, new industrial undertakings including small-scale industries are exempted from the payment of income tax on their profits, subject to a maximum of 6% per annum of their capital employed. This exemption in tax is allowed for a period of five years from the commencement of production. A small scale industry has to satisfy the following two conditions to avail of this tax exemption facility:-

(i) The unit should not have been formed by the splitting or reconstitution of an existing unit.

(ii) The unit should employ 10 or more workers in a manufacturing process with power or at least 20 workers without power.

Explain the different forms of organisation of Enterprises?

Ans The Different forms of organisation of enterprises :-

Proprietorship :-

proprietorship also called sole trade organisation is the oldest form of business ownership in India. In ~~Busin~~ a proprietorship the enterprise is owned and controlled by one person. He is a master of his show. He sows, reaps, and harvests the output of this effort. He manages the business on his own. If necessary, he may take the help of his family members relatives and employ some employees.

proprietorship is the simplest and easiest to form. It does not require legal recognition and attendent formalities. This form is the most popular form in India due to the distinct advantages it offers.

"The one man control is the best in the world if that man is big enough to manage everything".
→ William R. Basset.

Main features :-

1. One Man Ownership.
2. No separate Business Entity
3. No separation between ownership and Management.
4. unlimited Liability
5. All profits or losses to the proprietor.
6. Less formalities.

Partnership:

The Indian partnership Act 1932 section 4 defined partnership as " the relation between persons who have agreed to share the profits of business carried on by all or any of them acting for all".

Now we can define "partnership as an association of two or more persons who have agreed to share the profits of a business which they own together. This business may be carried on by all or any one of them acting for all".

The persons who own the partnership business are individually called "partners" and collectively they are called as firm or `partnership firm'. The name under which partnership business is carried on is called 'firm Name' . In a way, the firm is nothing but an abbreviation for partners.

Main features :-

1. More persons.
2. profit and loss sharing.
3. contractual relationship.
4. Existence of lawful business
5. utmost good faith and Honesty
6. unlimited Liability.
7. Restrictions on transfer of share
8. principal agent relationship.

Company :-
A company is an artificial person being created by the law that has an existence separate and apart from its owners. In otherwords, a company is an artificial person created by law, with a distinctive name, a common seal and a perpetual succession of members. It can sue and be sued in its own name.

The Indian Companies Act 1956 defines a Joint stock company as a company limited by shares having a permanent paid up or nominal share capital of fixed amount divided into shares also of fixed amount, held and transferable as stock and formed on the principles of having in its members only the holders of those shares or stocks and no other persons.

Main features :-

1. Artificial legal person.
2. separate legal Entity.
3. common seal
4. perpetual existence.
5. Limited Liability.
6. Transferability of shares
7. separation of ownership from Management.
8. Number of members.

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Private and public company :-

Private Company :-

under section 3(1) (iii) of the companies Act, A private company has been defined as a company which by its Articles of Association,

(a) restricts the right to transfer the shares, if any,

(b) limits of number of its members to fifty and

(c) prohibits any invitation to the public to subscribe for the shares or the debentures of the company.

Public Company :-

under section 3(1) (ii) of the Companies Act, A public Company is a company which is not a private company.

By implication, a public company is one which places no restrictions by its Articles of Association on the transfer of shares or on the maximum number of members can invite the public to subscribe for its shares and debentures and public deposits.

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Distinction between a A private and public company.

BASIS.	PRIVATE COMPANY.	PUBLIC COMPANY.
1. Members	The Minimum number of members is two and Maximum is fifty.	The minimum number of members is seven and there is no maximu limit
2. Directors	Minimum directors is two	Minimum no of director is three
3. prospectus	filing of prospectus or a statement 'in lieu of prospects' with registrar of companies is not necessary before company can allot shares	Filing of prospectus or statement 'in lieu of prospects' with the registrar of companies is necessary.
4. Documents	2 members need to sign the memorandum and article of association	7 members need to sign the documents.
5. Allotment of shares.	It may commence allotment of shares before minimum subscription has been applied for.	It cannot commence allotment of shares unless minimum subscription has been applied for.
6. Commencement of Business	It can commence business. soon after incorporation.	It cannot commence business with out obtaining a certificate to that effe
7. Transfer of shares.	Transfer of shares is restricted by the articles.	shares are freely transferable.
8 Filing of Balance sheet	It need not file its balance sheet with the registrar.	It must file its Balance sheet with the registrar.
9. statutory meeting	It need not hold statutory meeting nor it is necessary for it to forward statutory report to the registrar.	It must hold a statutory meeting and forward the same to the registrar.
10. Directors.	No provisions of Companies Act regarding appointment of directors, their consent to act or to pay for qualification shares apply to them.	These provisions apply to atleast three directors of a public company

Co-operative :-

The cooperative form of organisation is based on the philosophy of self help and mutual help. It differs from the other three form of business ownership. The Basic line of difference is a cooperative organisation aims at rendering services in places of earning profits.

Definition :-

The Indian cooperative societies Act 1912 section 4 defined cooperative as "A society which has its objective the promotion of economic interests of its members in accordance with cooperative principles".

A Co-operative organisation need to be registered with the registrar of co-operative societies of the state in which the society's registered office is located. It should have a minimum of 10 member and no limit for maximum number of members. The members are the owners. They contribute capital to the organisation and get dividends.(The liability of members is limited. The managing committee elected by members in annual general meeting manages affairs of cooperative organisation.

Main features :-

1. Voluntary organisation
2. Democratic Management
3. service Motive
4. Capital and return there on.
5. Government Control
6. Distribution of surplus.

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Define Women Entrepreneur ? What are the opportunities for women entrepreneur ?

Women Entrepreneur:-

It may be defined as the woman or group of women who initiate, organise and operate a business enterprise. According to the Government of India, a women entrepreneur is defined as "an enterprise owned and controlled by a woman and having a minimum financial interest of 51% of the capital and giving at 51% of the employment generated in the enterprise to women".

Opportunities for Women Entrepreneur:-

Women entrepreneurs believe good enough to contribute for the society well being in order to tap the opportunities in entrepreneurship. They have many responsibilities toward society betterment. In a recent days women entrepreneurs are performing extremely fantastic

1. Eco friendly technology.
2. BIO Technology
3. IT enabled enterprises
4. Event Management
5. Tourism industry
6. Tele communication
7. plastic materials.
8. Vermiculture
9. Mineral water.
10. sericulture.
11. Floriculture
12. Herbal and Health care.
13. Food, Fruits and vegetable processing.

Development of Women Entrepreneurs :-

under 7th five year plan. special privilege was given to development of women. It suggested the following points :-

(a) To treat women as specific target group in all development programs.

(b) To properly diversify vocational training facilities for women to suit their varied needs and skills.

(c) To encourage appropriate technologies, equipments and practice for reducing their drudgery and increase their productivity.

(d) To provide marketing assistance at the state level.

(e) To increase women's participation in decision making.

Associations of Women Entrepreneurs :-

With the growth of women entrepreneurs a few association of women entrepreneurs have been set up both at international and national level. The main purpose of these association is to create a congenial environment for developing women entrepreneurs in rural and urban area they seek the following objectives :

1. To provide a meeting ground for women entrepreneurs.
2. To promote and develop feeling of unity and brotherhood among the entrepreneurs.
3. To develop self confidence and hope among women entrepreneurs.
4. To present the problems of women entrepreneurs before the concerned authorities for consideration and redressal.
5. To secure various concessions, subsidies and assistance for women entrepreneurs.
6. To conduct entrepreneurial development programs for women.

7. To organise seminar conference on entrepreneurship with the help of other national and international bodies.

8. To perform activities to improve the operational efficiency of women entrepreneurs.

Some of Associations of Women Entrepreneurs are as follows:-

1. Women entrepreneurs wings of NAYE.
   (National Alliance of Young Entrepreneurs)
2. Indian council of Women Entrepreneurs.
3. FICCI Ladies organisation (FLO)
4. National commission on self employed women in the informal sector
5. World Association of women entrepreneurs WAWE.
6. Associated country women of the world ACWW.

How do you identify the market demand for New product Development?

Production is meant for consumption / Marketing. Marketing is a process of ascertaining the consumers needs converting them into products or services and moving the product or services to the final consumer to satisfy his needs and wants. Thus the concept of marketing is customer oriented i.e. produce what customers actually want.

Marketing is an important is not as easy. Small scale enterprises face several problems in marketing their products. Competition with modern sector, lack of promotion and weak bargaining power are the major problems faced by small enterprises in marketing their products.

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What customers want is ascertained by market assessment. Market assessment is done on the basis of demand forecasting. The major techniques used for forecasting demand are survey, statistical and leading indicator method.

The process of dividing whole market into distinctive and homogeneous sub groups called Market segmentation. It helps tap the potential in different homogeneous groups of customers.

All Marketing activities divided into four basic elements viz, product, price, promotion and physical distribution are referred to as the 'marketing mix'. These are also referred to as 'four ps' in marketing'.

A Brand is a name, sign, symbol or design assigned to a product to identify it and to differentiate it from competitive products. Good Branding serves as a silent salesman.

Packaging refers to the activities of designing and producing the container or wrapper for a product. Packaging protects the product from damage in the process of transportation, storage and use.

Price is the exchange value of a product or service. The important factors that affect the price of a product are product cost, demand and characteristics, firms objectives, customers behaviour and government regulations. The principal pricing methods adopted in small enterprises are cost plus method, skimming method, penetration method, variable price method etc.

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Channel of distribution refers to the network through which a product moves from the place of its production to the place of its consumption. Distribution channels create time, place and ownership utilities to the product.

Channels of distribution are broadly grouped in 2 categories:-

(i) Direct channel:-
When the producer himself makes the product directly available to the customers it is called direct channel or "Direct selling".

(ii) Indirect channel:-
When the producer makes the product available to the customers through the middlemen like wholesalers and retailers it is called 'Indirect channel'. Both channels have their distinct advantages and disadvantages.

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