

Entrepreneurship

Concept of Entrepreneurship

Entrepreneurship is the ability and readiness to develop, organize and run a business enterprise, along with any of its uncertainties in order to make a profit. The most prominent example of entrepreneurship is the starting of new businesses.

In economics, entrepreneurship connected with land, labour, natural resources and capital can generate a profit. The entrepreneurial vision is defined by discovery and risk-taking and is an indispensable part of a nation's capacity to succeed in an ever-changing and more competitive global marketplace.

Meaning of Entrepreneur

The entrepreneur is defined as someone who has the ability and desire to establish, administer and succeed in a startup venture along with risk entitled to it, to make profits. The best example of entrepreneurship is the starting of a new business venture. The entrepreneurs are often known as a source of new ideas or innovators, and bring new ideas in the market by replacing old with a new invention.

It can be classified into small or home business to multinational companies. In economics, the profits that an entrepreneur makes is with a combination of land, natural resources, labour and capital.

In a nutshell, anyone who has the will and determination to start a new company and deals with all the risks that go with it can become an Entrepreneur.

4 Types of Entrepreneurship

1. Small Business Entrepreneurship-

These businesses are a hairdresser, grocery store, travel agent, consultant, carpenter, plumber, electrician, etc. These people run or own their own business and hire family members or local employee. For them, the profit would be able to feed their family and not making 100 million business or taking over an industry. They fund their business by taking small business loans or loans from friends and family.

2. Large Company Entrepreneurship-

These huge companies have defined life-cycle. Most of these companies grow and sustain by offering new and innovative products that revolve around their main products. The change in technology, customer preferences, new competition, etc., build pressure for large companies to create an innovative product and sell it to the new set of customers in the new market. To cope with the rapid technological changes, the existing organisations either buy innovation enterprises or attempt to construct the product internally.

3. Social Entrepreneurship-

This type of entrepreneurship focuses on producing product and services that resolve social needs and problems. These products can promote positive developments in community behaviors. Their only motto and goal is to work for society and not make any profits. Social entrepreneurs often measure success in improving their community rather than success in profits.

4. Scalable Start-up Entrepreneurship-

Initiating and growing a business to its maturity is a traditional role for entrepreneurs. As societies progress, people regularly develop new needs that an entrepreneur can satisfy with their business ideas. This business idea can provide either services or products that would benefit the community.

Identifying a gap and planning how to address it helps entrepreneurs initiate new business ventures at any opportunity. They must understand every aspect of the business, including making critical decisions, setting a good example for employees and resolving conflicts.

2. Allocating employees' duties

From the onset of a business, an entrepreneur needs to allocate their employees' responsibilities effectively. Hiring qualified and competent staff requires a great deal of care, especially for small businesses. An entrepreneur is also responsible for organizing a business structure and environment that helps each employee maximize their potential. The success of a business venture often relies on its employees' contributions.

Therefore, defining your team's role and responsibilities is a vital entrepreneurial role to exercise for maximum business productivity. Allocation of duties also minimizes team conflicts, maximizes production and helps boost employee morale.

3. Forecasting business changes

Most businesses face some kind of uncertainty as they develop. An entrepreneur's role in this aspect is to anticipate any challenges and address them as quickly as possible. Forecasting is important because it helps the entrepreneur make decisions such as reducing or increasing stock for a product, procuring an updated software or making credit acquisition decisions.

4. Creating jobs

When an entrepreneur sets up or expands a business, they decide which employees they need to hire. Entrepreneurs consider factors such as who oversees processes and who can fulfill administrative tasks. Even when an entrepreneur does not directly employ staff to work in a physical location, they may still need to consider people who can work as a service provider, a software salesperson or a programmer.

5. Identifying business opportunities

Entrepreneurs regularly seek out opportunities that can grow or boost sales for their business. They identify which product to add and which market to expand to. An entrepreneur should listen to their potential clients and find opportunities to develop tailored products that cater to their clients' needs.

By doing a little competitive analysis, an entrepreneur can find out what other businesses in the area are doing and how they are succeeding. This process might include a physical survey or reading publications about trends in a specific industry. Talking to customers also makes it easier to identify their frustrations and experiences, which an entrepreneur can use to improve their business.

6. Creating and sharing wealth

Starting a business involves a network of activities. Whether an entrepreneur runs a small business operator or an established company, many spend money from savings and gain capital from family,

all processes involving entrepreneurship, including pitching new ideas, designing new ideas and revising ideas after receiving critique from peers.

2. They're proactive: Proactive individuals often attempt to find a solution to financial or organizational challenges using innovative ideas in their business model or products. They often take additional steps to ensure success in their new business idea. Examples of being proactive can include taking additional courses to develop skills, creating solutions to obstacles before they occur and asking for feedback to improve their ideas.

3. They're excellent communicators: Entrepreneurs use communication skills to inform companies of innovation ideas and distribute plans to all employees working on a product. They also use communication skills to network with others in their industry to expand brand awareness and their consumer base.

4. They're determined to find solutions to challenges: Entrepreneurs may have to overcome many challenges before they reach success. Challenges can include market changes or new research on global issues. They often create innovative products that resolve issues or meet market demands.

5. They're okay with change: It's important to be flexible and adaptable as an entrepreneur to incorporate changing market trends into business plans. Entrepreneurs usually can adapt to these changes to update products so the product can still be competitive in its market.

Startup's

What Is a Startup?

The term startup refers to a company in the first stages of operations. Startups are founded by one or more entrepreneurs who want to develop a product or service for which they believe there is demand. These companies generally start with high costs and limited revenue, which is why they look for capital from a variety of sources such as venture capitalists.

Understanding Startups

Startups are companies or ventures that are focused on a single product or service that the founders want to bring to market. These companies typically don't have a fully developed business model and, more crucially, lack adequate capital to move onto the next phase of business. Most of these companies are initially funded by their founders.

Many startups turn to others for more funding, including family, friends, and venture capitalists. Silicon Valley is known for its strong venture capitalist community and is a popular destination for startups, but is also widely considered the most demanding arena.

Startups can use seed capital to invest in research and to develop their business plans. Market research helps determine the demand for a product or service, while a comprehensive business plan outlines the company's mission statement, vision, and goals, as well as management and marketing strategies.

Special Considerations

D) New Zealand

Answer: D

Instructions for Q.7 to Q.15: After reading the passage given below, choose the best answer to each question that follows:

In contrast to traditional analyses of minority business, the sociological analysis contends that minority business ownership is a group level phenomenon, in that it is largely dependent upon social-group resources for its development. Specifically, this analysis indicates that support networks play critical role in starting and maintaining minority business enterprises by providing owners with a range of assistance, from the informal encouragement of family members and friends to dependable sources of labor and clientele from the owner's ethnic group. Such self-help networks, which encourage and support ethnic minority entrepreneurs, consist of "primary" institutions, those closest to the individual in shaping his or her behavior and beliefs. They are characterized by the face-to-face association and cooperation of persons united by ties of mutual concern. They form an intermediate social level between the individual and larger "secondary" institutions based on impersonal relationships. Primary institutions comprising the support network include kinship, peer, and neighborhood or community subgroups. A major function of self-help networks is financial support. Most scholars agree that minority business owners have depended primarily on family funds and ethnic community resources for investment capital. Personal savings have been accumulated, often through frugal living habits that require sacrifices by the entire family and are thus a product of long-term family financial behavior. Additional loans and gifts from relatives, forthcoming because of group obligation rather than narrow investment calculation, have supplemented personal savings. Individual entrepreneurs do not necessarily rely on their kin because they cannot obtain financial backing from commercial resources. They may actually avoid banks because they assume that commercial institutions either cannot comprehend the special needs of minority enterprise or charge unreasonably high interest rates. Within the larger ethnic community, rotating credit associations have been used to raise capital. These associations are informal clubs of friends and other trusted members of the ethnic group who make regular contributions to a fund that is given to each contributor in rotation. One author estimates that 40 percent of New York Chinatown firms established during 1900-1950 utilized such associations as their initial source of capital. However, recent immigrants and third or fourth generations of older groups now employ rotating credit associations only occasionally to raise investment funds. Some groups, like Black Americans, found other means of financial support for their entrepreneurial efforts. The first Black-operated banks were created in the late nineteenth century as depositories for dues collected from fraternal or lodge groups, which themselves had sprung from Black churches. Black banks made limited investments in other Black enterprises. Irish immigrants in American cities organized many building and loan associations to provide capital for home construction and purchase. They, in turn, provided work for many Irish home-building contractor firms. Other ethnic and minority groups followed similar practices in founding ethnic-directed financial institutions. (The passage taken from Book/News/OpenSource)

Question 7. According to the passage, once a minority-owned businesses established, self-help networks contribute which of the following to that business?

- A) Information regarding possible expansion of the business into nearby communities
- B) Encouragement of a business climate that is nearly free of direct competition
- C) Opportunities for the business owner to reinvest profits in other minority-owned businesses

Answer: B

Question 6. Who has launched the UPI-based payments app in the country by the name of 'Tez'?

- A) IBM
- B) Google
- C) Microsoft
- D) TCS

Answer: B

Instructions for Q.7 to Q.15: After reading the passage given below, choose the best answer to each question that follows.

What advice would I give to new entrepreneurs who need funding? Forget about your business plan and buy a lottery ticket — your chances are better. My point is that when you need venture funding no one will give any money until you already have a marketable product. In other words, funding comes just when you do not need it. A myth is that the way to start a venture is to create a great business plan, perfect your pitch, and then present this to investors, starting with venture capitalists. If that does not work, you knock on the door of angel investors. But ask any entrepreneur who has called on venture capitalists and they will probably tell you that it is almost impossible to even get calls returned. If venture capitalists do respond and you are invited to present your idea, the process will drag on for many months while you borrow more and survive on hope. If you do hit the jackpot, you are required to let the investors make many of the business decisions in exchange for an investment. To be fair, most business plans do not deserve funding. Venture capitalists receive hundreds of plans every week, and few are worth the paper they are printed on. Everyone jumps on the same new trend, or the ideas are so far out that they have no chance of success. And great ideas are not enough: it takes experienced management, excellent execution, and a receptive market. It is hard for even the best venture capitals to identify the potential successes. So what should an entrepreneur do? What all new entrepreneurs should understand is that, even if you have a realistic business plan for a great idea that can change the world, you need to develop it yourself until you can prove it. Focus on validating your idea and building it up. Raise money to get started by begging and borrowing from family and friends. And be prepared to dip into your savings and credit cards, obtain second mortgages, and perhaps look for consulting work or customer advances. There is no single recipe for developing your business idea yourself, but there are some essential ingredients. Here are some pointers: Consult widely. Share your ideas with those who have done it before. You can learn a lot from the experience of seasoned entrepreneurs, and they are much more approachable than you think. If you cannot find anyone who is excited about your idea, the chances are it is not worth being excited about. This may be time to reflect deeply and come up with another. Identify markets. Speak to anyone who can help you understand your target customers. If you can sell your concept, some customers may help you find it or agree to be a test site or a valuable reference. Customers do not usually know what they want, but they always know what they do not need. Make sure that there is a real need for your product. Start small. Your idea may be grand and have the potential to change the world, but you are only going to do this one step at a time. Look for simple solutions, test them and learn from the feedback. If you are starting a restaurant, work for someone else first. If you are creating a software product, learn by doing some consulting assignments or create some utilities. You do not have to start with the ultimate product. Watch every penny. Focus on revenue and profitability

56. According to accounting equation assets are equal to?

- a) Liabilities
- b) Liabilities and equities
- c) Equities
- d) None of these

57. The results of business activities are reflected in

- a) profit and loss account
- b) profit and loss appropriation account
- c) balance sheet
- d) none of these

58. Balance sheet is a statement which discloses an organization's

- a) assets
- b) liabilities
- c) owner's equity
- d) all of these

59. Current liabilities need to be paid

- a) within one accounting cycle
- b) beyond one accounting cycle
- c) within 3 years
- d) within 6 months

60. Which of the following is a financial asset?

- a) Inventories
- b) Equipment
- c) Loan to an associate
- d) Accounts receivable

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61. The cash flow statement consists of which of the following sections?

- a) Operating and non-operating
- b) current and non-current
- c) operating, investing and financing
- d) trading and financial

62. When does an accountant record a transaction?

- a) If it is materialized by a concrete document
- b) if it has a tax implication
- c) on Manager's demand
- d) None of these

63. Which of the following describes a record of the transactions?

- a) General ledger
- b) Income statement
- c) Balance sheet
- d) Journal

64. Earnings are the result of the difference between

- a) revenue and assets
- b) revenue and liabilities
- c) liabilities and expenses
- d) revenue and expenses

65. Which of the following equations represents the balance sheet?

- a) $\text{Assets} + \text{Liabilities} = \text{Shareholders' equity}$
- b) $\text{Assets} = \text{Liabilities} = \text{shareholders' equity}$
- c) $\text{Assets} = \text{Liabilities} - \text{Shareholders' equity}$
- d) $\text{Assets} = \text{Liabilities} + \text{Shareholders' equity}$

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66. Financially, shareholders are rewarded by

- a) interest
- b) profits
- c) dividends
- d) none of these

67. Process control is carried out:

- a) Before production
- b) During production
- c) After production control
- d) All of the above

68. Low cost, higher volume items requires:

- a) No inspection
- b) Little inspection
- c) Intensive inspection
- d) 100% inspection

69. High cost, low volume items requires

- a) No inspection
- b) Little inspection
- c) Intensive inspection
- d) 100% inspection

70. A six sigma process has defect level below _____ defects per million opportunities.

- a) 3.4
- b) 4.5
- c) 5.6
- d) 6.7

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71. The objective of ISO-9000 family of Quality management is:

- a) Customer satisfaction
- b) Employee satisfaction
- c) Skill enhancement
- d) Environmental issues

72. The following is (are) the machine down time.

- a) Waste
- b) No material
- c) Breakdown
- d) All of the above

73. _____ helps organization reduce employee turnover and absenteeism.

- a) Job design
- b) Training & development
- c) Wage revision
- d) All of the above

74. Inspection assures that:

- 1. The process is in control
- a) Workers are motivated
- b) Product meets specification
- c) Quality problems are solved
- d) Supplier quality is acceptable

75. Procurement cycle time is time consumed for

- a) Receiving of raw material
- b) Inspection of various raw materials
- c) Inspection of purchased components parts

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d) Senior management predefines the budget constraints.

89. A project planning methodology is any structured approach used to guide the project team during development of the project plan. What is an example of this methodology?

a) Standard forms or templates.

b) Upper management involvement

c) Functional work authorizations

d) Stakeholders skills

90. The engineer of the project in the planning phase makes a significant contribution to the technical scope. This is an example of what type of skill and knowledge?

a) Inherent

b) Stakeholder

c) Technical evaluation

d) Convergent thinking

91. In a program or project plan, there are always revisions to account for new or missing data.

Which one of the following provides the best reason for performing a revision of the plan?

a) A supplier has changed the way their product is delivered to your supplier

b) Project tasks are crashed to meet their end dates

c) Human resources will remain constant through out the project

d) Historical data on a similar project suggests that risk events are not included in the current plan.

92. The project closing process is essential to overall project planning. What is considered one of the most important steps in closing the project?

a) Insuring that plans are produced to implement the project by phases.

b) Issuing work orders so that financial data can be collected.

c) Transition the lease of equipment to the owner

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- (b) Ignoring coping mechanisms
- (c) Probing personal unacknowledged needs
- (d) Taking a few days off

192. Maximum number of Partners in case of Banking Business Partnership Firm

- (a) 15
- (b) 10
- (c) 5
- (d) 20

193. Minimum number of members for formation of Public Limited Company is

- (a) 7
- (b) 5
- (c) 3
- (d) 2

194. Limited Liability Partnership Firm's turnover should not exceed RS Lacs for being exempted from Audit

- (a) 25
- (b) 100
- (c) 40
- (d) 20

195. Which of the following is not a Legal Business Structure in India?

- (a) Limited Liability Partnership
- (b) Private Limited Company
- (c) Public Limited Company
- (d) Limited Liability Company

196. Which one of the following factors has the least influence on plant capacity?

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- (a) Input constraints
- (b) Investment cost
- (c) Organisational condition
- (d) Market conditions

197. Which of the following is not a relevant in judging the appropriateness of technology?

- (a) Whether the technology utilizes local raw materials?
- (b) Whether the technology utilizes local manpower?
- (c) Whether the technology comes from the orient [manufacturers]?
- (d) Whether the technology protects ecological balance?

198. The choice of technology is generally not influenced by the

- (a) Ease of operation
- (b) Ease of absorption
- (c) Use by other units
- (d) Plant capacity

199. Proximity to the source of raw material may not be very important for:

- (a) Steel plant
- (b) Refinery
- (c) Cement plant
- (d) Both a and b

200. Which one of the following is not a source of positive net present value?

- (a) Product differentiation
- (b) Industry standing; no growth
- (c) Marketing reach
- (d) Economy of scale

201. What is an elevator pitch?

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b) Managing Government relations

c) Managing public relations

d) Managing banks

240. Valuation of a start-up improves:

a) With only proof of concept

b) With only proof of product

c) With only proof of business

d) With all the above three occurring seamlessly and successfully

241. The following doyen of the industry has been investing in start-ups after his retirement:

a) Anand Mahindra

b) Ratan Tata

c) Sunil Mittal

d) Dilip Sanghvi

242. The following institution has been a pioneer in online education in India for the last several years, reflecting entrepreneurial approaches of the Government of India and select IITs:

a) CSIR

b) IIMA

c) NPTEL

d) Intel

243. Thyrocare was established as a start-up in:

a) Pharmaceuticals

b) Sterile water

c) Detergents and sanitizers

d) Medical diagnostics

244. As a start-up, Nirma, the indigenous home detergent powder maker, demonstrated the

b) No

c) yes, if they satisfy the qualifying criteria for IP protection

d) maybe

254. MSME means?

a) Management of small medium enterprise

b) Micro, small and medium enterprise

c) Mega sector medium entities

d) None of the above

255. Following are types of IP?

a) Patent, designs

b) Copyright, trademark

c) Both a & b

d) innovation

256. Research parks means

a) place to carry and facilitate new research via collaboration

b) Using public parks to create data for new research

c) Parks which are marked by archaeological department for research purposes

d) All of the above

257. India's startup Meesho raised the huge funding and was backed by Facebook. It is first

_____ ?

a) Online job opportunity platform

b) Female centric startup

c) single ecosystem that will enable all small businesses to succeed online

d) All of the above

258. An individual who initiates, creates and manages a new business can be called

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c) Providing factoring services.

d) All of the above.

287. SFC is prohibited from granting financial assistance to any company whose aggregate paidup capital exceed_____.

a) 1 crore.

b) 1.5 crores.

c) 2 crores.

d) 2.5 crores.

288. SIPCOT's financial assistance is in the form of ____.

a) term loan.

b) seed capital scheme.

c) underwriting the capital issues.

d) All of the above.

289. The business development department of SIPCOT aids entrepreneurs in _____.

a) applying for licences.

b) approval or collaboration.

c) allocation of scarce raw materials.

d) All the above.

290. TIIC is sponsored by the_____.

a) Government of Karnataka.

b) Government of Andhra Pradesh.

c) Government of Kerala.

d) Government of Tamil Nadu.

291. In backward areas, term loans for expansion or setting up a new unit are available at

_____.

a) concessional terms.

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- b) market strategy
- c) after-sales service
- d) all the above

310. Every entrepreneur should draw an _____ for his project to ensure the timely completion of all activities involved in setting up an enterprise.

- a) cost structure
- b) implementation plan
- c) market structure
- d) production structure

311. _____ describes the direction, the enterprise is going in, what its goals are, where it wants to be, and how it is going to get there.

- a) project report
- b) technical analysis
- c) market analysis
- d) Financial analysis

312. Today, many companies are using managerial techniques that are designed to encourage ____.

- a) increasing projects
- b) legal compliances
- c) Ethical behaviour
- d) shareholders value

313. Entrepreneurial development is the key to achieve all-round _____ through acceleration of industrial and entrepreneurial activities.

- a) increase in projects
- b) economic development

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