

# Entrepreneurship



## LEARNING OBJECTIVES

This chapter will enlighten students about

- Learn about various definitions of entrepreneurship
- Understanding the characteristics, importance and function of entrepreneurs
- Developing knowledge on the steps for starting a small scale industries
- To develop the traditional cuisine of the cottage industry



## 7.1 Introduction

Over the past few decades entrepreneurship has assumed great importance for accelerating economic growth both in developed and developing

countries. Entrepreneurship is the process of exploring the opportunities by an individual or group of individuals in the market place and arranging resources required to exploit these opportunities for long term gain. This

systematic process requires proper planning and forecasting in order to promote capital formation and create wealth in country. It also helps to pave the way to reduce unemployment and poverty. In view of this in recent times entrepreneurship has become the hope and dreams of millions of individuals around the world.

## 7.2 Meaning of Entrepreneurship

The word **Entrepreneurship** has been derived from **French** word '**Entrependre**' which means '**to undertake**'. Today, people call it by various names, e.g., **Adventurism, Risk taking and Innovating.**

### Definition of Entrepreneurship

**Higgins defines,** 'Entrepreneurship as the function of seeking investment and production opportunity, raising capital, hiring labour, arranging the supply of raw materials, finding site, introducing new techniques and commodities, selecting top managers of day-to-day operations of the enterprises'.

**A.H. Cole defines,** Entrepreneurship as "The purposeful activity of an individual or a group of associated individuals undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods and services".

### Definition of Entrepreneur

According to **Joseph Schompeter,** "Entrepreneur is an innovator who brings economic development through new combinations of factors of production".

- An entrepreneur is a person who has already started or is in the process of starting an enterprise.

### Difference between Entrepreneurship and Entrepreneur

Process	Person
Organization	Organizer
Decision making	Decision maker
Creation	Creator
Administration	Administrator
Management	Manager
Leadership	Leader

### Women Entrepreneur

Women entrepreneur may be defined as the women or a group of women who initiate, organize and operate a business enterprise. Women are expected to innovate, imitate (or) adopt an economic activity to be called "woman entrepreneurs".

The Government of India has defined a women entrepreneur as "an enterprise owned and controlled by a women having a minimum financial interest at **51%** of the capital and giving at least **51%** of the employment generated in the enterprise to women."



- **August 21<sup>st</sup> is the world entrepreneurs' day.** The purpose of the day is to create awareness for entrepreneurship innovation and leadership throughout the world.
- **Women's Entrepreneurship day- November 19.**

### 7.2.1 Concept of Entrepreneurship

- It has assumed super important for accelerating economic growth both in developed and developing countries.

- It promotes capital formation and creates wealth in country.
- It is the hope and dreams of millions individuals around the world.
- It reduces unemployment and poverty and it is a pathway to prosper.
- It is the process of planning, organising, opportunities and assuming.

### 7.3 Scope of Entrepreneurship

The scope of entrepreneurship is very great in a developing country like India. Entrepreneurship is powerful tool that can combat unemployment and under employment. The **Labour Bureau** reports that the unemployment rate was **5 % in 2015- 2016** which was highest in the last five years. Entrepreneurship offers itself as the only solace to encourage people to start their own business that would in-turn lead to financial independence. Particularly, entrepreneurship can be emphasized among young people as they are ambitious, bold enough to take risks, equipped with skills and information acquired through the wide array of information available through technological advancement. It also gives them the opportunity to be their own boss and pursue their own ideas.

#### 7.3.1 Importance of Entrepreneurship

Entrepreneurship is important for the following reasons:

- **Decreases Unemployment**  
Development of entrepreneurship can reduce unemployment dramatically as it creates opportunities for self-employment.

- **Creates competition in the market**  
Entrepreneurship can create competition in the market thereby enabling customers to acquire new products with greater variations at competitive prices.
- **Utility of the local resources can be used**  
Entrepreneurship development ensures uses of local resources and it increases local cash flow.
- **Improves the living standard**  
Successful business endeavours improve the financial status of the individual and this subsequently improves the standard of living.
- **Economic Independence**  
Entrepreneurship gives economic independence which can help in the overall development of an individual.

#### 7.3.2 Functions of Entrepreneurs

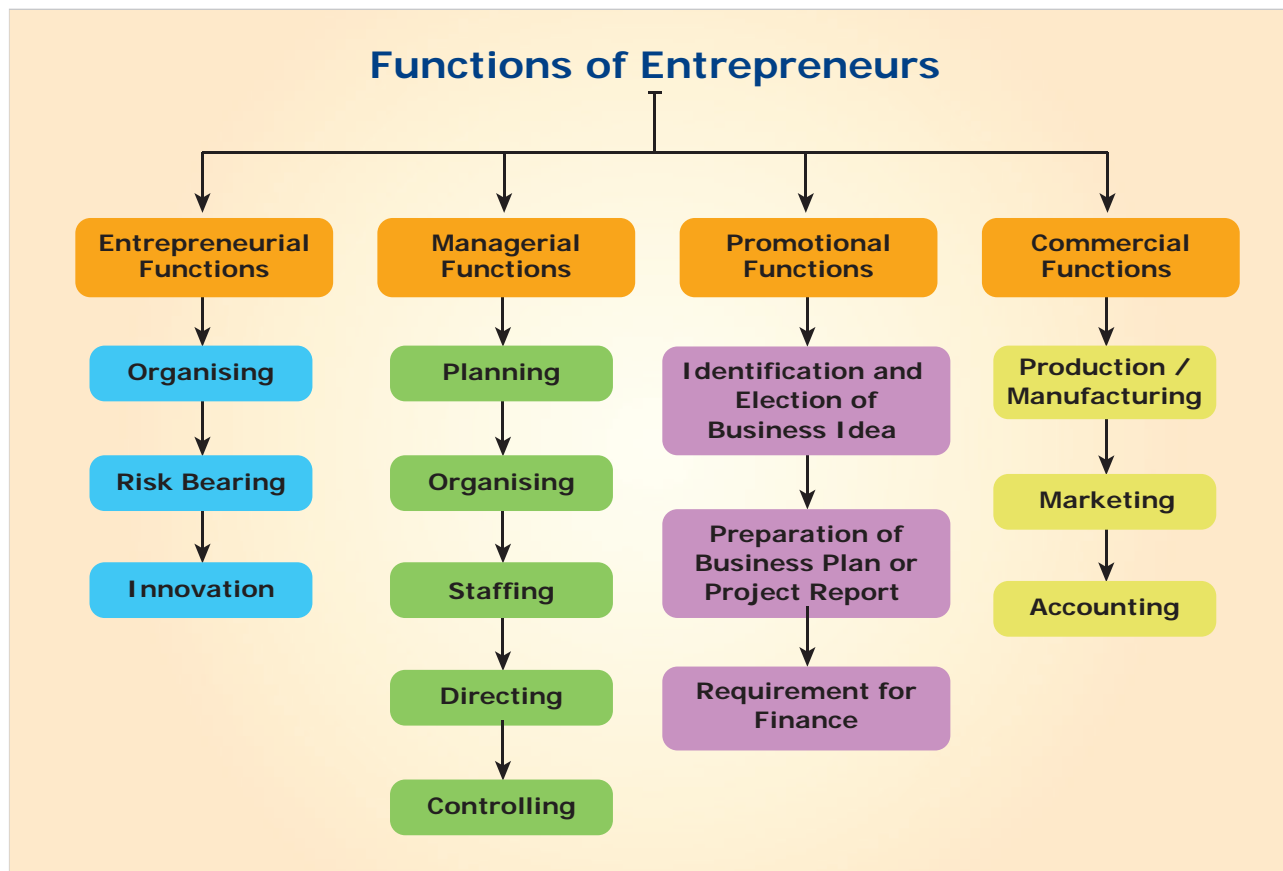
The main functions of an entrepreneur are classified into four broad categories:

- (1) Entrepreneurial Functions
- (2) Managerial functions
- (3) Promotional function
- (4) commercial functions

##### 1. Entrepreneurial functions

The major entrepreneurial functions include **organizing, risk bearing, and innovation.**

An organizer mentally first of all decides certain things like what, how and how much to produce. This is based on the demand for the commodity. The location of the industry, scale of production is then determined by the availability of raw materials, labour, capital etc.



An entrepreneur not only organizes the entire production process but also undertakes risks and uncertainties. Successful entrepreneurship involves an anticipation of demand for the new product. Sometimes, there may or may not be demand for the new product. This is a non-insurable risk an entrepreneur has to undertake. Thus a brave organizer has to shoulder certain insurable and non-insurable risks also.

An entrepreneur must be an innovator to survive in the market and to retain the same position for his product. One cannot be assured of innovation always. It appears, disappears and reappears. This unpredictable outcome calls for boldness, confidence and perseverance for an entrepreneur to be successful in his mission.

## 2. Managerial Functions

Management is the art of getting things working with and through others.

According to **Henri Fayol (1949)** who is known as the **father of principles of management**, “management is to forecast, to plan, to organize, to command, to co-ordinate and to control.”

The managerial functions performed by entrepreneur are classified into the following five types:

- (i) **Planning**
- (ii) **Organising**
- (iii) **Staffing**
- (iv) **Directing**
- (v) **Controlling**

### (i) **Planning:**

Planning is a pre-determined course of action to accomplish the set objectives. An entrepreneur has to make decisions as to what is to be done, how it is to be done, when it is to be done, where it is to be done, by whom it is to be done and so on. Proper

planning prevents confusion which, in turn, affects the smooth performance of job what so ever it may be.

### (ii) Organising:

The organizing function of an entrepreneur involves the bringing together the men, material, machine, money, etc. to execute the plans. Thus, organizing function of an entrepreneur ultimately provides a mechanism for purposive, integrated and co-operative action by many people in a joint and organized effort to implement a business plan.

### (iii) Staffing:

Staffing involves human resource planning and human resource management. Thus, staffing function of an entrepreneur includes preparing a list of:

- Available personnel
- Requirement of personnel
- Sources of manpower recruitment
- Selection of personnel and remuneration,
- Training, development and periodic appraisal of personnel working in the enterprise.

### (iv) Directing:

Direction is the process, by which the entrepreneur guides, counsels, teaches, stimulates and activates his/ her employees to work efficiently to accomplish the set objectives.

### (v) Controlling:

Controlling is the last management function performed by the entrepreneur. It is the comparison of actual performance with the target or standard performance and identification of variation between the two, if any, and taking corrective measures so that the target is accomplished.

## 3. Promotional Functions:

### (i) Identification and Selection of Business Idea:

The selection of a profitable and rewarding business project involves a process. This is based on the knowledge and prior experience of the individual as well as information gathered from friends and relatives. The information acquired can enable the individual identify new profitable innovative ideas which can be examined and pursued as a business enterprise.

This process is also described as 'opportunity scanning and identification'. The generated ideas are analyzed in terms of costs and benefits associated with them and the most beneficial idea is finally selected to be pursued as business enterprise.

### (ii) Preparation of Business Plan or Project Report:

The entrepreneur prepares a statement called '**business plan**' which is a well evolved course of action devised by entrepreneur to achieve the specified objectives within a specified period of time.

It contains information about the intending entrepreneur, location of enterprise, requirement for land and building, plant and machinery, raw material utilities, transport and communication, manpower, requirement for funds including working capital along with its sources of supply, break-even point and implementation schedule of the project.

### (iii) Requirement for Finance:

The entrepreneur should plan requirement for funds with its detailed structure. Long term as well as short term requirements is to be identified separately.





Then, the sources of supply to acquire the required fund are also to be mentioned. The share capital in terms of equity and preference shares and how much will be borrowed capital from different financial institutions and banks are to be clearly determined.

#### 4. Commercial Functions:

##### (i) Production / Manufacturing:

Goods are produced once the enterprise is finally established. Production function includes decisions relating to the selection of factory site, design and layout, types of products to be produced, research and development, and design of the product.

The additional activities include production planning and control, maintenance and repair, purchasing, store-keeping, and material handling. Proper production planning and control are crucial for the effective performance of production function.

##### (ii) Marketing:

Marketing is the performance of those business activities that direct the flow of goods and services from producer to consumer or user. Thus, marketing essentially begins and ends with the customers. Marketing is not just selling. It includes other marketing activities such as market or consumer research, product planning and development, standardization, packaging, pricing, storage, promotional activities, distribution channel, etc. The success of marketing function is linked with an appropriate 'marketing mix'. Traditionally, marketing mix is referred to 4 P's, namely, product, price, promotion, and physical distribution. Of late, 3 more P's

namely, packaging, people, and process are also added to 'marketing mix'.

##### (iii) Accounting:

The main objective of any business enterprise is to earn profits and create wealth. This is ascertained through accounting. Accounting is the art of recording, classifying and summarizing in a significant manner and, in terms of money, transactions and events which are, in part at least, of a financial character and interpreting the results thereof."

The **Profit and Loss Account** is prepared for ascertaining whether the business earned profit or incurred loss during a particular accounting period. The Balance Sheet is prepared to know the financial position of business on a particular date hence, the Balance Sheet is also called '**Position Statement**'.

#### 7.3.3 Characteristic of Entrepreneurs

In order to be a successful entrepreneur one should possess the following qualities:

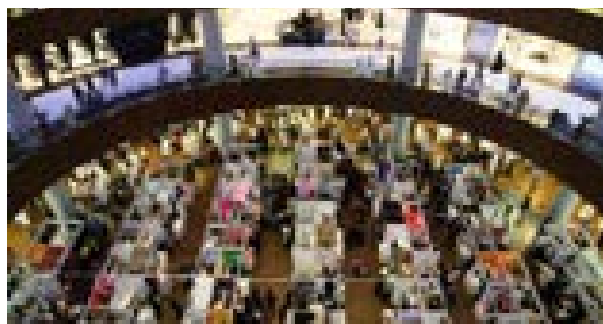
- **Mental Ability:** Entrepreneurs must have creative thinking and must be able to analyse problems and situations and be able to anticipate changes.
- **Business Secrecy:** Entrepreneurs should guard business secrets from competitors.
- **Human Relations:** Entrepreneurs must maintain good relation with customers and employees.
- **Communication Ability:** Entrepreneurs should have good communication skills.

- **Technical Knowledge:** Entrepreneurs should have sufficient technical knowledge.
- **Innovative Ability:** Entrepreneurs should possess creative ability to search for new opportunities.
- **Risk Taking:** Entrepreneurs take moderate risks to achieve their goals.
- **Perception of Good ideas:** Entrepreneurs should have the ability to collect and analyse facts for accomplishing the tasks.
- **Future oriented:** Entrepreneurs should be able to plan and think for the future.
- **Flexibility:** Achievement oriented entrepreneurs should be adaptable and flexible to adjust with the changed circumstances.



### (i) Micro Enterprise:

- Micro enterprise generally refers to a small business employing **10 number of people or less**.
- It is an enterprise in which investments in plant and machinery is between **5 lakh to 25 lakh**.
- These enterprises work and operate not by choice but by art of necessity.



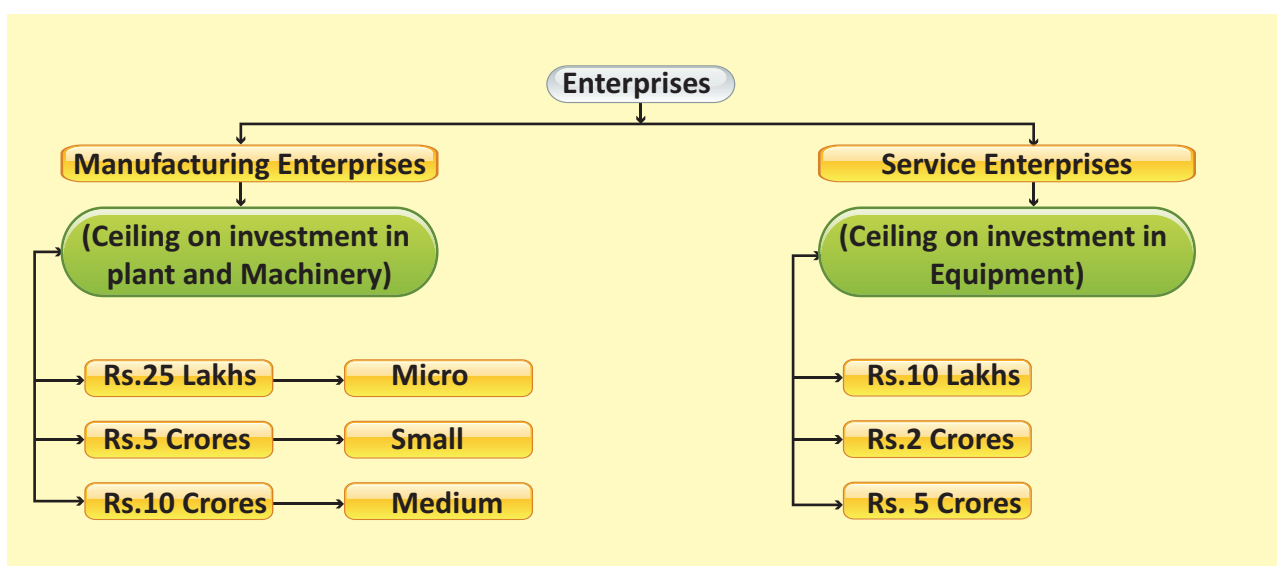
## 7.3.4 Types of enterprises

### 1. Manufacturing Enterprises

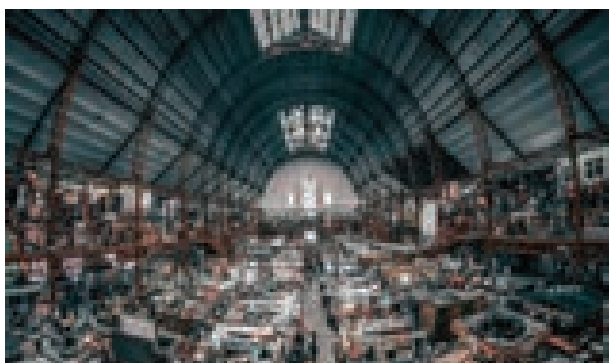
Manufacturing based enterprises produce goods, implement machines and items for different purposes.

### (ii) Small Enterprise:

- Small enterprise generally refers to a business employing **50 persons or less**.



- It is an enterprise in which investments in plant and machinery is between **25 lakh to 5 crores**.
- These enterprise works and operates to earn a small amount of profit.



### (iii) Medium Enterprise:

- Medium enterprise refers to a business employing **maximum to 250 employees**.
- It is an enterprise in which investment in plant and machinery is between **5 crores to 10 crores**.
- These enterprises works and operates to earn a fair amount of profits to increase their standard of living.

### (2) Service Enterprise

The service based enterprises provide services to the customer. These services may be related to field such as education, health, banking, communication etc.,

- Micro enterprise in which investment in plant and machinery is **upto 10 Lakhs**.
- Small enterprise in which investment in plant and machinery is from **10 lakhs to 2 crores**.
- Medium enterprise in which investment in plant and machinery is from **2 crores to 5 crore**.

## 7.4 Steps for Starting a Small Industry



An enterprise involves a large number of formalities which are grouped under **preliminary stage** and **implementation stage**.

### 7.4.1 Preliminary Stage

The preliminary stage consists of **9 steps**. They are:

#### Step-1: Decision to be Self-employed

All new entrepreneurs should have technical and commercial knowledge of their product along with required education, technical qualification, training etc. He should have capacity to raise the required resources and managerial skills. The decision to become entrepreneur is influenced by internal and external factors. Internal factors include educational background, occupational experience, desire to work independently in manufacturing line, desire to branch out to manufacturing and family background. The external factors include assistance from government assistance from financial institutions, availability of technology and raw material, demand





for the product utilization of excess funds and other factors.

### Step-2: Scanning Business Environment

The new entrepreneur should plan administrative frame work, policy guidelines, rules and regulations pertaining to their enterprise.

### Step-3: Selection of Idea

The third step in setting up the enterprise is selection of idea. The entrepreneurs has to consider whether idea is:

- Innovative and competitive in the area
- In tune with the availability of raw materials
- Conforms to available infrastructural facilities.

Relevant experience, government policies and availability of profit margin will help in selection of ideas. The analysis of these factors helps the entrepreneur to select the right idea for its implementation.

### Step-4: Deciding Organization Structure

The entrepreneurs should decide type of organizational structure for the proposed business.

**Proprietary Unit:** Sole proprietorship is a form of business concern in which single individual introduces his own capital, enjoys the profits and bears the risk and losses. No specific document is required to be created except obtaining trade license from municipal authorities.

**Partnership Firm:** Partnership is an association of two or more persons who pool their financial and managerial resources and agree to carry on a business and share its profit or losses. No partnership firm can have **more than 20 persons**. A written

agreement creating the partnership firm is known as partnership deed.

**Co-operative Society:** Cooperative society is a voluntary association of persons who work together to promote their economic interests. It works on the principle of self-help and mutual help. The primary objective is to provide support to the members.

**Joint Family Business:** The Joint family business is a form of business organization run by the family members of three successive generations own the business jointly. The head of the family known as **Karta** manages the business. The other members are called **coparceners**. All of them have equal ownership rights over the properties of the business

**Company:** A company is either a private limited company or a public limited company. A private limited company is formed with a minimum of two persons and a maximum of 50 persons. A public limited company is formed with a minimum of 7 persons and maximum number of persons is unlimited.

Depending on the suitability of business organization, the entrepreneur has to select and decide to setup organizational structure for his proposed business.

### Step-5: Preparation of Project Report

Next the entrepreneur has to prepare a project report which provides detailed information about the proposed business. The project report covers introduction of the proposed project brief history, the constituents of the unit, nature of the unit, key personnel, product information, marketing details, competition, manufacturing processes, machinery, details of raw



materials, land, building requirements, general management, technical staff, cost of the project, cost of production, profitability, repayment schedule and securities needed.

#### **Step-6: Project Appraisal Stage**

To provide financial assistance banks and financial institutions examine the viability of a project and to ensure that the project will generate adequate return on the investment of resources. The project must repay the principal amount and interest on terms of the loans within the reasonable period. Project appraisal undertaken by financial institutions will be based on the technical, financial, economic, managerial operation and organizational appraisals.

#### **Step-7: Selection of Location and Site**

The selection of location and site depends upon the nearness to market and raw materials, availability of power and water, transportation, industrial estates, required skilled personnel, prevailing climatic conditions, Government incentives and subsidies, distribution channels etc.

#### **Step-8: Provisional Registration**

Provisional registration application should be submitted with the district industries centre. The issue of provisional registration is normally automatic and is given within **7 days** on the receipt of the application. The initial validity of the provisional registration is **6 months**. It may be renewed for a further period of 6 months on submission of satisfactory proof that the party has taken effective steps to establish the unit but could not complete the same. When all steps to establish the unit have been taken. i.e., the factory building is ready,

power connection is given, the machinery is installed, and application may be made for the conversion of provisional registration into permanent registration.

The documents required for provisional registration are application form, duly filled in and signed by the proprietor or partner or directors, prescribed court fee stamp, 3 pass port size photos, copy of project profile, photo copy of ration card, affidavit on the stamp paper, copy of partnership deed/ memorandum of association.

#### **Step-9: Enquiry for Machinery and Technology**

The entrepreneur has to make the assessment of size of the plant and machinery. The name of suppliers of the plant and machinery and quotations should be obtained. After careful comparison of specifications, quality, delivery time and price, a decision should be taken to purchase the required machinery

### **7.4.2 Implementation Stage**

The implementation stage consists of **12 steps**. They are:

#### **Step-1: Statutory Licenses Arrangement**

The small scale and ancillary units are required to be registered with **Directorate of Industries** in the State for obtaining the license. The new entrepreneur has to get different types of clearances from different authorities such as district health offices, director of public health chief inspector of factories, state electricity boards, municipality, state pollution control board, local sales tax authorities, superintendent of central excise etc.

## Step-2: Arrangement of Finance

The new entrepreneur after obtaining license and clearances from competent authorities has to make arrangement of finance. They require loans and working capital to set up business.



Small Industries Development Bank of India (SIDBI), State Financial Corporation (SFC), National Small Industries Corporation (NSIC), Small Industrial Development Corporation (SIDCO), Regional Rural Banks, Cooperative banks, Commercial Banks provide **financial assistance to set up the new ventures.**

## Step-3: Application for Financial Assistance

The entrepreneur has to submit an application for financial assistance along with project report to the agency or financial institution for obtaining the required loan. Along with the application he has to submit, project report, partnership deed, quotations in respect of plant and machinery, copy of lease agreement of land and proposed building plans, architect estimates of factory building etc.

## Step-4: Building Construction and Civil Works

The construction of work-shed should be done with the consultation with an architect by a good civil contractor. Before commencing construction activities, the entrepreneur should obtain necessary license from the corporation or municipal authorities or other local authorities and should also ensure that the plan of the building conforms to the norms stipulated

by the inspector of factories. In some cases a pre-build factory shed is obtained from state government and industrial estate.

## Step-5: Placement of Order for Plant and Machinery.

The orders for Plant and Machinery and other fixed assets are placed with selected suppliers. The timing of placing the order should be synchronized with the completion of the building construction.

## Step-6: Installation and Commissioning of Plant and Machinery

The entrepreneur should formulate a suitable layout which would facilitate production operations in the best possible manner. They have to pay attention to the provision of adequate workspace and ventilation for each worker to perform his operations effectively. The entrepreneur should formulate a blue print converting the actual layout of factory and segregate the areas allocated based on the installation and commissioning needs of plant and equipment.

## Step-7: Power and Water Connection

The formalities for water and electrical connection are obtained. A consumer can avail **LT** (Low Tension) supply if the connected load is **less than 75 HP**. If connected load is between **75HP - 130 HP** the consumer has an option of either availing **LT** supply or **HT** (High Tension) supply. If the connected **load exceeds 130HP** the unit is classified as **HT** consumer.

## Step-8: Recruitment of Personnel and their Training

The personnel should be selected on the basis of their ability, knowledge of the job and other skills required in execution



of the job. The entrepreneur should adhere to **Employees State Insurance (ESI) Act, Minimum Wage Act, Payment of Bonus Act, Workmen's Compensation Act, Employees provident Fund Act** etc. Entrepreneur can avail the facilities of the various training institutes to provide necessary training needed to their employees.

#### **Step-9: Raw Material Procurement**

Entrepreneur should have to ensure timely flow of raw materials before launching their new product into the market. They should have more sources of supply of the required raw materials instead of depending on a single source of supply. Imports of raw materials are being controlled as per the latest import trade control policy. SSI units should apply to the State Directorate of Industries in the prescribed form enumerating their requirements. They in turn recommend such cases to the concerned **Joint Chief Controller of Imports and Exports**.

#### **Step-10: Marketing**

Marketing is the complex process of creating customers for products and services. It involves knowing and reaching out to customers, listening very carefully to their needs and preferences and acting to serve them better every time. Effective marketing planning and promotion begin with gathering factual information about the market place. A very important part of marketing plan should be overall promotional objectives to communicate message, create an awareness of product or services, motivate customers to buy and increase sales. The entrepreneur should develop marketing strategies which help to face the competition effectively in the market based on knowledge of regulations of the governments, store purchase

programmes, international exhibition, fairs and trade centers.

#### **Step-11: Permanent Registration**

Permanent Registration is obtained from District Industry Centres (DIC's) when the entrepreneur has taken all the steps to establish the unit i.e., readiness of factory building, availability of power supply, installation of the machinery etc. Within 7 days of the receipt of application, the district industries officer or other designated officer informs the party of the date and time for inspection of unit. The inspection includes an assessment of installed capacity of the unit. On being satisfied that the unit is capable of production activity a permanent registration certificate will be issued by the Directorate of Industries. For permanent registration the entrepreneur has to submit the various documents to the directorate of industries which includes municipal license, application in prescribed form, rent receipt or no objection certificate from land lord, copy of sale bill of each item purchased, affidavit attested notary public etc.

#### **Step-12: Profit Generation and Repayment:**

Entrepreneurs should be ever vigilant about the cost of production and profit generation. If profits are not generated, they should find out the reasons and try to minimize costs and adjust production volume. Then should also adopt cost control measures and minimize waste. Then should maintain profits chart per month and workout profits by calculating total sales revenue per month minus total cost per month. At the end of year they should also see what the profit ratios are

by calculating their return on investment and profitability ratio on sales.



### ACTIVITY 1

To establish an Enterprise-to meet - Steps to be taken to meet an entrepreneur who has recently established the enterprise and discuss the steps in establishing the enterprise.

Entrepreneurs should also be prepared to have contingency plans regarding the repayment of loan amount. Normally banks and financial institutions insist on its payment along with interest charges by the borrower as per the repayment schedule formulated in respect of the project. The period normally permitted for repaying the instalments of the principle amount varies from 12 - 24 months from the date of the first release of the loan.

If proper precautions are taken in these two stages, the entrepreneur will be highly successful in his endeavour to sustain in the market and attains the desired goal.

#### 7.4.3 Environmental factors affecting entrepreneurship

Some of the environmental factors which hinder entrepreneurial growth are given below.

1. Sudden changes in Government policy.
2. Sudden political upsurge.
3. Out-break of war or regional conflicts.

4. Political instability or hostile Government attitude towards industry.
5. Excessive redtapism and corruption and corruption among government agencies.
6. Ideological and social conflicts.
7. Unreliable supply of power, materials, finance, labour and other inputs.
8. Rise in the cost of inputs.
9. Unfavorable market fluctuations.
10. Non – cooperative attitude of banks and financial institution.

#### 7.4.4 Important role that entrepreneurship plays in the economic development

- Entrepreneurship promotes capital formation by mobilising the idle saving of the public.
- It provides immediate large-scale employment. Thus, it helps reduce the unemployment problem in the country, i.e., the root of all socio-economic problems.
- It promotes balanced regional development.
- It helps to increase the concentration of economic power.
- It stimulates the equitable distribution of wealth, income and even political power in the interest of the country.
- It encourages effective resource mobilisation of capital and skill.



- It also induces linkages which stimulate the process of economic development in the country.

### Entrepreneurs are Born or Made?

Entrepreneurs are not born. Entrepreneurs are not like athletes, they don't need natural inherent body and muscles. An athlete's child may grow up an athlete, but it would happen in an entrepreneur's family. However entrepreneurs are nurturally made, and they own some special qualities and also need some trainings and experiences as athletes. Many people form non – entrepreneur's families start their own business and become entrepreneur's every day.

## 7.5 Cottage industry preparation of traditional foods



Cottage Industries have helped to preserve the cultural heritage of the country. Certain products made in the cottage industry are based on skillful production. The skill for making such products is passed on through generations in the family. The products have a distinct identity of its own and bear the impression of the Indian culture.

In rural regions of India many families engage in small production activities from their homes. Their scale of operations is very miniscule and the workers are generally the family members themselves. There are rarely any machines

involved and the production is carried out entirely by hand. The produce generally consists of **handicraft, wollens, carpets, handlooms articles, earthenware, jewelry and food products etc.** The products are generally unique. Any Industry where the creation of product and services are home based rather than factory based and specific skills is required is called as **cottage Industry.**

Tamil Nadu is rich for its cuisine with most of the districts having their own **Signature dish** and hence giving out unique dishes from each and every corner.

### Aims of cottage industry

Cottage industries are generally small scale house hold industries, producing goods to full fill the demand of the local community. Their main aim is to provide employment to rural people.

### Importance of cottage industries

- Cottage industries are considered to be the backbone of rural economy as they generate employment in rural areas.
- Employs both skilled and semi skilled workers.
- It also makes optimum use of the local resources available.
- These industries have helped in improving standard of living of the people in rural areas.
- These industries have allowed women also to exhibit their skills.

### Characteristics of Cottage Industry

- Use of traditional skill
- Small scale production



- Un organized sector
- Employment generation
- Preservation of culture
- Use of agricultural resources
- Eco- friendly industries
- Flexible in the operation
- Use of indigenous raw materials

### 7.5.1 Traditional Foods

- Traditional Foods are foods and dishes that are passed through generations or which have been consumed many generations.
- Traditional foods and dishes are traditional in nature and may have a historic precedent in a national dish regional cuisine or local cuisine.

Tamil Nadu has **37 districts** and many small villages. Each location is famous for its authentic food. The native people have magic in their hands that make these recipes world famous. Let us take a sneak peak at some of the traditional dishes.

### Preparation of Traditional Foods

#### Chennai Vada Curry

Vada Curry is one of the popular dishes in the hotels of Chennai. It is a side dish suitable for Idly, Dosa and even Chapathi. Set dosa and Vada curry



is the best combination. The vada mixture contains channa dal, chili powder, and Onions. People use Coconut milk in making the gravy. The vadas are mixed with the gravy and cooked for some time. Vada Curry is a famous street food in Chennai. Set dosa and

the hot Vada Curry gives you an amazing taste.

#### Madurai Jigarthanda

The Jigarthanda from Madurai is a cold drink. It is a dish with a heavenly taste. It is a popular drink during the summers.



Almond Pisin, reduced milk, Ice Cream, and Nanari syrup are the main ingredients for this drink. Take a glass, add some Almond Pisin, then add the reduced milk and Nanari syrup and mix it well. Add a spoonful of Ice Cream. The Ice Cream used also plays a role in enhancing the taste of the Jigarthanda. It is a refreshing drink during the hot summer days.

#### Srivilliputhur Palkova

Srivilliputhur is the birthplace of Andal. People visiting Srivilliputhur never leaves



the place without having a bite of the tasty Palkova. It is a sweet dish. Boil the milk in big earthen pots lit with firewoods or Cashew nut shells and when it begins to solidify, add sugar and mix it well. People get pure milk from the local farmers. Still, the traditional method of cooking the Palkova is followed. They use good quality ingredients which add a unique taste to the Palkova.

#### Kovilpatti Kadalamittai

Kadalamittai is a candy made from Peanut. Kadalamittai is





famous all over Tamil Nadu. In Kovilpatti they use good quality ingredients which make the Kovilpatti Kadalammittai different from other sweet candies. Heat Jaggery and make syrup out of it. Add glucose water, Vanilla essence and Peanuts to it. Then cut it into rectangular slabs and allow it to cool.

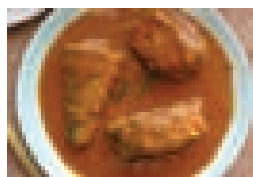
### Sattur Kara Sev

Kara Sev is a famous snack in Sattur. It is popular for its perfect balanced combination of spices and Garlic. Usually, Channa dal flour is the main ingredient in making Kara sev, but in Sattur they use rice flour along with Channa dal flour. To this flour add Cumin seeds, Asafetida, Chili Powder and Garlic paste. Pour the batter into the perforated ladle, long strands of Kara sev fall into the oil, then cook it for some time. The snack is crispy and has a delicious taste. People in Sattur usually have curd rice and Kara sev together which makes it a heavenly food.



### Nanjilnaadu Fish Curry

Nanjilnaadu comprises of the Kanyakumari and Nagercoil districts. Since these places are near sea shores, they are famous for sea foods. It is a very delicious dish. People use raw Coconut paste to cook the fish. It is the specialty of the Fish curry. The Fish is well soaked in the masalas and has a unique taste. The smell of Coconut oil adds a different flavour to the dish. Nanjilnaadu Fish curry along with rice makes the best combination for a perfect meal.



### Kancheepuram Idly

Idly is one of the regular foods for the people of Tamil Nadu. The Kancheepuram idly or the Kovil idly is different from the usual recipe of idly. It is offered as a holy food in the Varadharaja Perumal temple in Kancheepuram. Rice, Urad dal, and Fenugreek seeds are ground together to make a thick paste. Add pepper, Cumin seeds, and Ginger to the batter. People in the temple cook the idly in Mantharai leaves, which gives a flavour to the idly. It is a healthy food.



### When traditional foods were included in the diet, benefits were:

- |                           |   |
|---------------------------|---|
| <b>Less Calories</b>      | – Helpful for weight control                      |
| <b>Less Saturated Fat</b> | – Better for the heart                            |
| <b>More Lean</b>          | – Meats and fish                                  |
| <b>More Iron</b>          | – Better for muscles and blood                    |
| <b>More Zinc</b>          | – Better for wound healing and fighting infection |
| <b>More Vitamin A</b>     | – Better for vision and fighting disease          |
| <b>More Calcium</b>       | – Better for strong bones and teeth               |

Strengthened cultural capacity and well-being.



## ACTIVITY 2

Collect recipe for any two traditional dishes. Prepare and calculate the cost of the product you prepared. Compare the selling price of same products with you cost. Analyse and present the percentage of profit by selling it in a suitable market.



## SUMMARY

Entrepreneurship contributes for the social and economic development of the country. Entrepreneurship makes the people self-dependent. An entrepreneur is a person who establishes the enterprise in planned manner to earn profit. The small enterprises are operated using local resources. The operation of small enterprises does not require much of machines, resources, money and training. The amount of profit and rate of profit is less in small enterprise. Enterprises are classified on many criteria such as technology, techniques, business, work area, motivation, ownership etc. Careful planning, forecasting, sustained motivation and perseverance are key factors that will ensure successful entrepreneurship and will also enable the entrepreneur to be highly successful in his endeavour to sustain in the market and attain the desired goal.

## A-Z

## GLOSSARY

- **Aptitude:** (மனப்பான்மை) It is the ability of entrepreneurs to learn new competencies related to enterprise management.
- **Beneficiary:** (பயனாளி) A person or group of persons taking benefits from the enterprise.
- **Enterprise:** (நிறுவனம்) A well-designed and established organization to achieve specific goals serving the customers, clients and beneficiaries
- **Feasibility:** (சாத்தியக்கூறு) It is a systematic investigation of relevance, merit and quality of any significant enterprise idea.
- **Firm:** (நிறுவனம்) Business (or) enterprise, such as a corporation limited liability company or partnership, that sells goods or services to make a profit.
- **Profit:** (இலாபம்) It is expressed in terms of net gain from entrepreneurial activities through legal means.
- **Working Capital:** (மூலதனம்) It is the money required to be invested in day-to-day operations of the enterprise.
- **Techniques:** (நுட்பங்கள்) The scientific systematic and tried out methods used in establishment, operation and evaluation of enterprise.



## EVALUATION

### I. Choose the correct answer

1. The word entrepreneurship is derived from \_\_\_\_\_ word.

(a) English  
(b) Italy  
(c) Germany  
(d) French

2. The Bureau of Labour reported that the unemployment rate in 2015-2016 was high \_\_\_\_\_.

(a) 5%  
(b) 6%  
(c) 7%  
(d) 8%



3. The father of principles of Management \_\_\_\_\_.

(a) Henri Foyol  
(b) A.H. Cole  
(c) Higgins  
(d) Joseph Schompeter

4. The last management function to be studied by entrepreneurs

(a) Planning  
(b) Organizing  
(c) Arranging  
(d) Controlling

5. The balance sheet is also called \_\_\_\_\_.

(a) Business Plan  
(b) Profit and Loss Account  
(c) Position Statement  
(d) Accounting Period

6. World Entrepreneurship Day \_\_\_\_\_.

(a) August 2  
(b) August 11

(c) August 21  
(d) August 29

7. Women Entrepreneurship

Day \_\_\_\_\_.

(a) Novemberr 9  
(b) Novemberr 19  
(c) Novemberr 29  
(d) Novemberr 30

8. Head of the Joint Family

Business \_\_\_\_\_.

(a) Karta  
(b) Coparceners  
(c) Proprietor  
(d) Partner

9. Permanent Registration is obtained from \_\_\_\_\_.

(a) SSI  
(b) DIC  
(c) NSIC  
(d) SIDCO

10. Growth of Entrepreneurship \_\_\_\_\_ helps to reduce the problem.

(a) Money  
(b) Poverty  
(c) Unemployment  
(d) Resource

### II. Write Very Short Answers (2 marks)

1. What is the meaning of Entrepreneurship?
2. Define Entrepreneurship.
3. Define Entrepreneur.
4. Difference between Entrepreneurship and Entrepreneur?
5. "What are the concepts of Entrepreneurship?"





6. What is 4 Pcs and 3 Pcs in the Market Mix?
7. What is Accounting?
8. What are the Balance Sheet?
9. What is an Accounting Period?
10. What are the institutional agencies providing financial assistance to entrepreneur?
11. What are the Aims of Cottage Industry?
12. Define - About Traditional Food.

### III. Write Short Answers (3 marks)

1. Write about Women Entrepreneur?
2. Tell about the types of Entreprises?
3. "Entrepreneurs are made, not born" - Discuss.
4. What are the environmental factors that affect the growth of entrepreneurship?
5. What is the Cottage Industry. Give some examples?
6. Characteristics of the Cottage Industry?
7. What about the importance of the Cottage Industries?

### IV. Write in detail (5 marks)

1. Describe the Importance of Entrepreneurship.
2. Nickle is a successful entrepreneur. Explain what is the functions of his success?
3. What are the basic characteristics of an entrepreneur?

4. Enumerate the steps involved in starting a small industry.
5. Explain the important role of Entrepreneurship in Economic Development.
6. What are the Traditional Foods? Describe the traditional cuisine in any of the three districts?



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