

TEXTBOOK QUESTIONS SOLVED

Question 1. Answer the following questions in about 15 words:

1. Who is an Intrapreneur?
2. Define Entrepreneurial Motivation.
3. What do you mean by competency?
4. Which value provides goal direction to entrepreneurs?
5. State one crucial feature of Fabian entrepreneurs?
6. 'Hero Motocorp manufactures two wheelers and provide services.' This is an example of which type of entrepreneur?
7. "They are highly ambitious and normally not satisfied by slow progress in their jobs." This applies for which entrepreneurs?
8. "When it wanes, as it surely will in difficult times, take some guilt time." This statement shows which attitude of an entrepreneur?

Answer:

1. Definition: "Intrapreneur": An entrepreneur-like individual works inside a large company, and acts to get things done, to manage large critical projects, and/or to develop new products. These individuals usually start as successful project managers.

Or

- An inside intrapreneur or an entrepreneur within a large firm, who usually used/ uses entrepreneurial skills without incurring the risks associated with those activities.
- Intrapreneur uses his skills, talent and share his idea associated with those activities.

- They are usually an employees within a company who are assigned a special idea or project.
2. It is defined as the process that activated the entrepreneurs to exert a high level of effort for the achievement of his/her goal.
Or
In other words it can be defined as drive or forces within an entrepreneur that effect his/her direction, intensity and persistence of voluntary behaviour.
Or
Entrepreneurial motivation is the drive of an entrepreneur to maintain an entrepreneurial spirit in all their actions.
 3. Competency is a set of defined behaviours that provide a structured guide enabling the identification, evaluation and development of the behaviours in an individual.
 4. 'Respect for work'. All entrepreneur believe that they can achieve anything through hard work. This value provides goal direction which encourages them to persue a path and incentives are linked to the degree and quality of efforts made.
 5. Fabian entrepreneurs are very shy, lazy, cautious and do not venture or take risk.
 6. Industrial Entrepreneur.
 7. Innovative Entrepreneurs.
 8. Attitude are gradually learnt over a period of time. The process of learning attitude starts from childhood and it continues throughout the life of a person.

Question 2. Answer the following in about 50 words:

(i) Why attitude is called pervasive?

(ii) Explain any two features of attitude.

(iii) Explain these core values:

(a) Respect for work

(b) Innovation and creativity.

(iv) Name the types of entrepreneurs according to Danhof.

(v) What is the importance of an intrapreneur in an organisation?

(vi) What is "Innovation time off" in an intrapreneurship program?

Answer: (i) They are formed in the process of socialisation and may relate to anything in the world.

For example: A person may have positive and negative attitudes towards religion, politics, politicians or countries.

(ii) (a) Affects behaviour: People have a natural tendency to maintain consistency between attitude and behaviour. Attitudes can lead to intended behaviour if there is no external intervent.

(b) It is invisible: It constitutes a psychological phenomenon which cannot be directly observed. However, we may observe an attitude indirectly through observing its consequences. For example, if a person is highly productive, we may infer that he has a positive attitude towards his/her work.

(iii) (a) Respect for work: Entrepreneur culture respects and values work. Entrepreneur who are successful believe that to achieve one has to do hard-work. To them work is worship.

(b) Innovation and creativity: These are the most important values found among most of the entrepreneurs. Creativity is the ability to bring something new into existence or new ways of doing things and innovativeness is the ability to make it work in practice. For example, earlier, hair oil was available only in tins and introducing it in plastic small packs has become convenient for customers to carry and use.

Innovation refers to the process of doing new things. It brings into reality a new idea, a new process, a new product or innovativeness can be seen through actions such as: Sachet Market – small sachet of shampoo, oil, etc.

- (iv) C. Danhof has broadly classified entrepreneurs into four types. These are:
- (a) Innovative Entrepreneur (b) Imitative Entrepreneur
 - (c) Fabian Entrepreneur (d) Drone Entrepreneur
- (a) Smart organisations will seek out individuals who like to invent, innovate, and want to the best idea within them.
- (v) These individuals can work independently but even more important can work seamlessly as part of an integrated team structure and also effectively embrace and embody the culture of the entrepreneur's host organisation. Intrapreneurs are most successful when management empowers and supports them and in turn the intrapreneurs represent the best interests of their organisations, while earning the respect of corporate peers.
- (vi) "Innovation time off" is an intrapreneurship programme firstly introduced by Google. The main features of this programme was:

- All the employees are empowered and encouraged to spend 20% of their time on projects that interest them and their thinking will benefit Google and their customers.
- It has a formal process for their selection of entrepreneurial projects, for the formal evaluation process and the monitoring of each Google approved entrepreneurial project.
- All those employees who want to participate in the programme must submit a project proposal within a specified timeline.
- After implementation of the intrapreneurship programme, it was observed several of Google's newest products and services such as Gmail, Google news, Orkut and Add Sense were all originated through this program and has given a good results.

Question 3. Answer the following in about 75 words:

- (i) "The thoughts, feelings and tendencies to behave are acquired gradually." In the light of this statement describe the sources of attitudes.
- (ii) "Attitude is not by birth, it is acquired". Explain.
- (iii) "Entrepreneurs venture to take risks but some entrepreneurs are very shy and lazy by nature." Mention the name of such entrepreneurs and explain.
- (iv) "Innovation and creativity both are interrelated." Explain.
- (a) "We can appoint an employee but not an entrepreneur." Describe difference between an employee and an entrepreneur in the light of this statement.
- (vi) Differentiate between an Intrapreneur and Entrepreneur.
- (vii) Explain the following Entrepreneurial competencies:
 - (a) Persistence
 - (b) Leadership
 - (c) Systematic planning
- (viii) Why is systematic planning a must for an entrepreneur?
- (ix) Define Business Ethics. Why is it important to an entrepreneur?
- (x) Explain types of entrepreneurs on the basis of use of technology.
- (xi) Explain types of entrepreneurs on the basis of motivation.
- (xii) What are the entrepreneurial values? Show by diagram.
- (Xiii) "Human beings require respect in the society." Explain the esteem needs in the Maslow –Hierarchy of Needs Theory.
- (xiv) How competency in creativity and innovation helps an entrepreneur meet the challenges of a situation?
- (xv) Do you think Intrapreneur is necessary for an organisation? Support your answer with strong reasons.

Answer: (i) The central idea running through the process of attitude formation is that, the thoughts, feelings and tendencies to behave are acquired or learned gradually. The attitudes are acquired from the following sources:

1. **Direct Personal Experience:** The quality of an individual's direct experience with the attitude

object (work area) determines his/her attitude towards it.

For example if a worker:

- finds his/her job challenging,
- always tries to understand supervisors and co-workers
- is nature wise very cooperative
- creates an healthy environment
- completes the task on time
- is satisfied and happy with the entire environment

then he/she will have a positive attitude towards his/her job because of the quality of his/her direct experience with the job.

2. Group Associations: Each and every individual working in an organisation are always influenced to one degree or another by other members in the group to which they belong. Their attitudes toward products ethics warfare and a multitude of other subjects are influenced strongly by groups that they value and with which they do or wish to associate. All those people involved in a group are, including family, working members, and peer groups, and cultural and sub-cultural groups, are important in affecting a person's attitudinal development.

3. Influential to Others:

- A consumer's attitude can be formed and changed through personal contact with influential persons such as respected friends relatives and experts.
- Opinion leaders are examples of people who are respected by their followers and who may strongly influence the attitudes and purchase behaviour of followers.
- To capitalize on this type of influence, advertisers often use actors and actresses who look similar to or act similar to their intended audiences.

People tend to like others who are similar to themselves because they believe that they share the same problems, form the same judgments and use the same criteria for evaluating products. Another application which advertisers use to influence audience attitudes is the so called slice of life commercial.

For example: Sachin Tendulkar: Boost: Boost is the secret of my energy.

Aishwarya Rai Bachchan in Kalyan Jewellers.

These advertisements show typical people confronting typical problems and finding solutions in the use of the advertised brand, some examples include the advertisement of a specialised shampoo (to solve dandruff problems).

(ii) Yes, it is a true statement. The process of learning attitudes starts right from childhood and continues throughout the life of a person. It means attitudes are gradually learnt over a period of time. However, in the beginning, the family members have a greater impact on the attitude of a child.

(iii) Fabian Entrepreneurs: According to C. Danhof, Fabian entrepreneur are categorized in third group. Such entrepreneurs are very shy and lazy. They are very cautious. They do not venture or take risks. They are rigid and fundamental in their approach. Usually, they are second generation entrepreneurs in a family business enterprise. They follow the footsteps of their predecessors. They imitate only when they are sure that failure to do so would result in a loss of the relative position in the enterprise.

(iv) Yes, Innovation and Creativity both are interrelated.

These are the most important values found among most of the entrepreneurs. They are guided by these values when they come out with creative ideas, new products, services, processes, etc. to solve specific problems of the society.

Creativity is the ability to see new ways of doing things and innovativeness is the ability to make it work in practice.

For example, earlier hair oil was available only in tins and introducing it in plastic small packs has become convenient for customers to carry and use. Innovativeness can be seen through actions such as:

(a) Sachet Market – small sachet of shampoo, oil, etc

- (b) Experimenting with new ideas for example introduction of debit and credit cards in the banking sector.
- (c) Facing uncertainty in order to try out new ideas.
- (d) Not giving up or becoming upset when errors occur.
- (v) Generally, the difference between entrepreneur and employee is that an entrepreneur is the owner of the enterprise and an employee is in the service of the enterprise and both work in the interest of the enterprise. **The following are the basic differences:**

Basis	Entrepreneur	Employee
1. Meaning	An entrepreneur is an innovator, generator of job and wealth, risk taker, an excellence seeker, goal oriented, appreciates quality of persistence, problem solver, has creativity, sets up an organization to build something of value.	An employee generally includes any individual who performs services to an enterprise or another person (employer) on a regular basis in exchange for compensation may be in cash or in kind.
2. Motive	The motive of an entrepreneur is to start a venture by setting up of an enterprise. One undertakes the venture for his personal gratification.	The employee's job is to render one's service in the ongoing or new enterprise set up by someone else.

3. Status	An entrepreneur is the owner of the enterprise.	An employee is the servant in the enterprise owned by an entrepreneur.
4. Risk-bearing	An entrepreneur being the owner of the enterprise assumes all risks and uncertainty involved in running the enterprise considers and thinks about one's business 24 hours.	An employee being servant does not bear any risk, all that, can happen is one may lose one's job with or without some compensation. One thinks of one's enterprise that one is working on duty for certain hours only.
5. Rewards	The reward, an entrepreneur gets, for bearing risks involved in the enterprise is profit or at times handsome profit, which is uncertain.	Whereas an employee gets rewarded for one's services rendered in the enterprise as salary which is fixed and certain as per appointment letter issued. In addition, one gets a bonus as per prescribed rules and festival tokens, etc. in cash or kind, sometimes on performance.
6. Innovations	The entrepreneur himself/herself thinks over what and how to produce goods and services. One has to bear in mind about meeting the changing demands of the customers. Hence, he acts as an innovator as well as a change agent.	An employee executes the set plans as per given schedule. Thus one's job gets to meet up the targets decided by one's employees.
7. Qualification	An entrepreneur needs to possess qualities and qualifications like high achievement motive, originality in thinking, farsightedness, risk-bearing abilities.	An employee needs to possess qualification as per the status in the enterprise which are pre-set and detailed in black and white, like an accountant can be C.A/M. Com, etc. and a manager may be an M.B.A. in Marketing/Finance or Human Resource, etc. as per the nature of the enterprise.

- (vi) Differences between Entrepreneur and Intrapreneur are as follows:

Basis	Entrepreneur	Intrapreneur
1. Meaning	An entrepreneur is an innovator, generator of job and wealth, risk taker, an excellence seeker, goal oriented, appreciates quality of persistence, problem solver, has creativity, sets up an organization to build something of value.	An intrapreneur works within a large firm, who uses entrepreneurial skills without incurring the risks associated with those activities.
2. Motive	The motive of an entrepreneur is to start a venture by setting up of an enterprise for his personal gratification.	The intrapreneur's main motive is to turn that special idea or project into a profitable venture for the company.
3. Status	An entrepreneur is the owner of the enterprise.	Whereas an employee is the servant in the enterprise owned by entrepreneur.
4. Dependency	An entrepreneur is independent.	Intrapreneur are always dependent on entrepreneur acceptance.
5. Raising of funds	An entrepreneur raises funds required for the enterprise.	Intrapreneur not raises any funds.

6. Risk	An entrepreneur being the owner of the enterprise assumes all risks and uncertainty involved in running the enterprise considers and thinks for about one's business for 24 hours.	An intrapreneur does not fully bear the risk, involved in the enterprise.
7. Operation	An entrepreneur operates from outside.	An intrapreneur operates from within the organization.

6. Risk	An entrepreneur being the owner of the enterprise assumes all risks and uncertainty involved in running the enterprise considers and thinks for about one's business for 24 hours.	An intrapreneur does not fully bear the risk, involved in the enterprise.
7. Operation	An entrepreneur operates from outside.	An intrapreneur operates from within the organization.

(vii) 1. **Persistence:**

- (a) It is the ability of an entrepreneur to continue with the course of action despite obstacles and difficulties.
- (b) He must persist with behavioural skills even when the failure is visible as a quality successful entrepreneurs are determined and persistent in their march towards excellence.
- (c) He always create a need for goods and services in the market forenterprise. For example:
- (i) In India when mixers was introduced, numbers of users/customers were less but today, we find it to be an essential appliance of kitchen accessories.
- (d) When Mahima Mehra brought out her product – Haathi Chaap, she had experimented on various other material before using elephant dung to manufacture handmade paper.

2. **Leadership:** An entrepreneur should also be an effective leader who should be able to guide and motivate his/her entire team. Whenever a company faces problem it is the will power and effective business acumen and communication skills which oversees the success of the corporation.

3. **Systematic planning:** An entrepreneur with a systematic and well defined plan has always more chances of success. Before commencing actual operation, he is required to develop. Every entrepreneur has limited resources in terms of time, finance and manpower. They invest their life's saving and total energy in creating entrepreneurial ventures and cannot afford to lose or waste these. Before putting the whole enterprise into operation, he is required to develop a detailed blueprint of activities including all necessary information regarding the objectives of the business, legal, financial and administrative aspect, likely obstacles. It provides a blueprint for building new enterprise.

(viii) Planning provides a blueprint for building new enterprise.

An entrepreneur is expected to have systematic planning which will help him to prepare an action plan for performing all the activities in every area of operation in order to achieve the pre-determined goals.

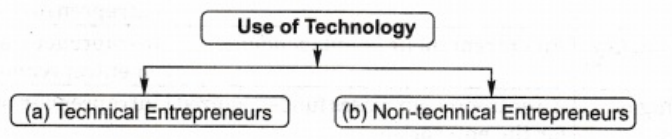
- It will also help the entrepreneur to carefully monitor his/her business' actual performance

against desired performance and turn to other alternatives whenever the need arises; so as to achieve his/her set goals.

- It helps to evaluating the positive and negative aspect associated with each alternative.

(ix) "Business Ethics" can be defined as the critical, structured examination of how people and institutions should behave in the world of commerce. It is the study of standards of business behaviour that promote human welfare and the good.

(x)

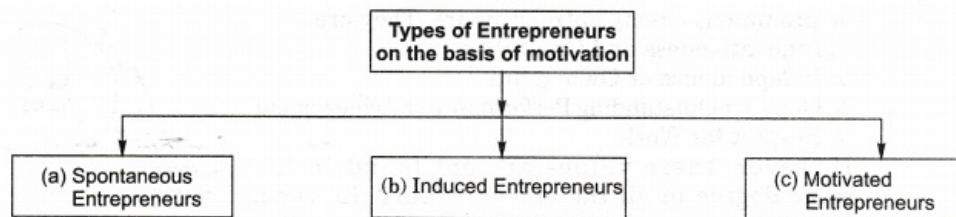


The entrepreneurs may be classified into the following categories on the basis of application of new technology in various sectors of the economy:

(a) Technical Entrepreneurs are technical by nature in the sense of having the capability of developing new and improved quality of goods and services out of their own knowledge, skill and specialisation are called a technical entrepreneur. They are essentially compared to craftsmen who concentrate more on production than marketing.

(b) Non-technical Entrepreneurs are those who are mainly concerned with developing alternative marketing and distribution strategies to promote their business. They are not concerned with the technical aspects of the product and services they are dealing with.

(xi) Based on their motivating factors, entrepreneurs can be classified into three types such as spontaneous, induced and motivated entrepreneurs.



(a) Spontaneous Entrepreneurs

They are also known as entrepreneurs:

They are motivated by their desire for self-fulfillment and to achieve or prove their excellence in job performance.

They undertake entrepreneurial activities for their personal satisfaction in work, ego, or status.

Their strength lies in their creative abilities.

They are the natural entrepreneurs in any society. And do not need any external motivation.

(b) Induced Entrepreneurs

Induced entrepreneurs enter into entrepreneurship because of various governmental supports. Interested entrepreneurs get support from the government to set up of their new enterprises in terms of financial assistance (in the form of Grants and Aids), incentives, concessions and other facilities.

Sometimes prospective entrepreneurs are induced or even forced by their special circumstance, such as loss of job or inability to find a suitable job according to their talent and merit to adapt to entrepreneurship.

(c) Motivated Entrepreneurs

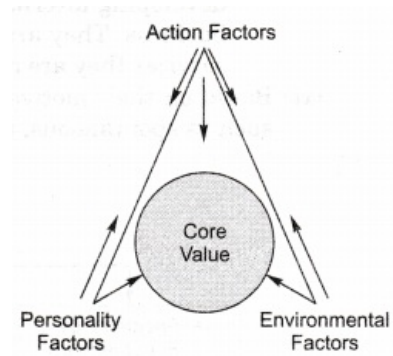
Motivated Entrepreneurs are motivated by their desire to make use of their technical and professional expertise and skill in performing the job or project they have taken up.

They have enough confidence in their abilities.

They are highly ambitious and are normally not satisfied by the slow progress in their jobs.

They enter entrepreneurship because of the possibility of making and marketing of some new products or service for the use of the prospective consumers. If the product or service is developed to a saleable stage and the customers accept the same, the entrepreneur is then further motivated by reward in terms of profit.

(xii) In a civilized society some qualities like honesty, truthfulness, cooperation, integrity etc. as important for happy and healthy living. They are a set of beliefs or ideas that provide standards which guide behaviour. Such guiding principles established in a cultured society are called values. They provide us the direction in our life and helps us achieve our potential. Entrepreneurs share some of these qualities that guide and direct them and hence they have come to be called entrepreneurial values. They are a combination of a number of factors that shape an individual's life in an environment. It implies that when an individual interacts with his environment, certain characteristics emerge to guide the individual in his pursuit. This diagram shows that a person develops certain core values as a result of an active interaction between the environmental factors, the personality factors and action factors. A study of such core values reveals that a set of four values are found to be prominent among entrepreneurs. **They are:**



1. Innovativeness and Creativity
2. Independence or Ownership
3. Quest for Outstanding Performance or Achievement
4. Respect for Work.

However, these values are not found in the same degree in all the entrepreneurs. In some, innovativeness and creativity may be stronger than other values while in some quest for achievement may be the strongest driving force. But, to become successful entrepreneurs, a knowledge of all these values is essential.

(xiii) Esteem needs include the desire for self-respect, self-esteem, and the esteem of others.

- When focused externally, these needs also include the desire for reputation, prestige, status, fame, glory, dominance, recognition, attention, importance and appreciation.
- An individual eventually needs to feel that he/she has a social status. This goes beyond just having social relationships; the individual must feel that in work or at home he/she is making a contribution. This also includes recognition of achievement from others. And the need to feel good about themselves.

(xiv) Creativity is the merging of ideas which have not been merged before. New ideas are formed by developing current ones within our minds. It is ranked by the ability to create, bring into existence, to invent, a new form to produce through imaginative skills, something new, it is an ability to generate new idea as by combining changing or re-applying existing ideas and innovation means doing something new or something different. The entrepreneurs are constantly on look out to do something and unique to meet the requirements of the customers.

Competency in creativity and innovation are sometimes basic traits of certain individuals. He/she might not have any new ideas or may not inventors of new products and new methods of production but they have the ability to vision the future and have the possibility of making use of the inventions of their enterprise. He/she may use the creative ideas and innovative products and services to meet the challenges of a situation and to satisfy the changing taste and preference of customers adopt and apply new technique to meet the customers changing demand for product and take advantage of the utility of an idea or a product to create wealth.

For Example,

- Changes in the packaging of potato chips.
- Tea bags.
- Cup cakes.
- Pidilite Industries introduced ? 5 pack of feviquick.
- Introducing it in plastic small packs has become convenient for customers to carry and use.
- Use and throw ballpoint pen for students worth ?
- Cadbury introduced 'Celebration's ? 100 single attractive pack with all types of Cadbury chocolates.

(xv) Yes, I do agree that Intrapreneur is necessary for an organisation. The reasons are:

- It is the best way to retain the talented, creative and innovative staff, who transform a dream and idea into viable project.
- It describes easiest way of developing new product and services within the company through him.
- Intrapreneur's new way of thinking making organisations.

Question 4. Answer the following in about 150 words:

What do you mean by entrepreneurs? Mention the types of entrepreneurs. 'Motivation is a process.' Explain by a model.

"Entrepreneurs cannot survive and grow without fulfilling the ethical responsibilities of the society." Explain.

Explain in detail the McClelland Theory of Motivation.

Explain the type of business entrepreneurs.

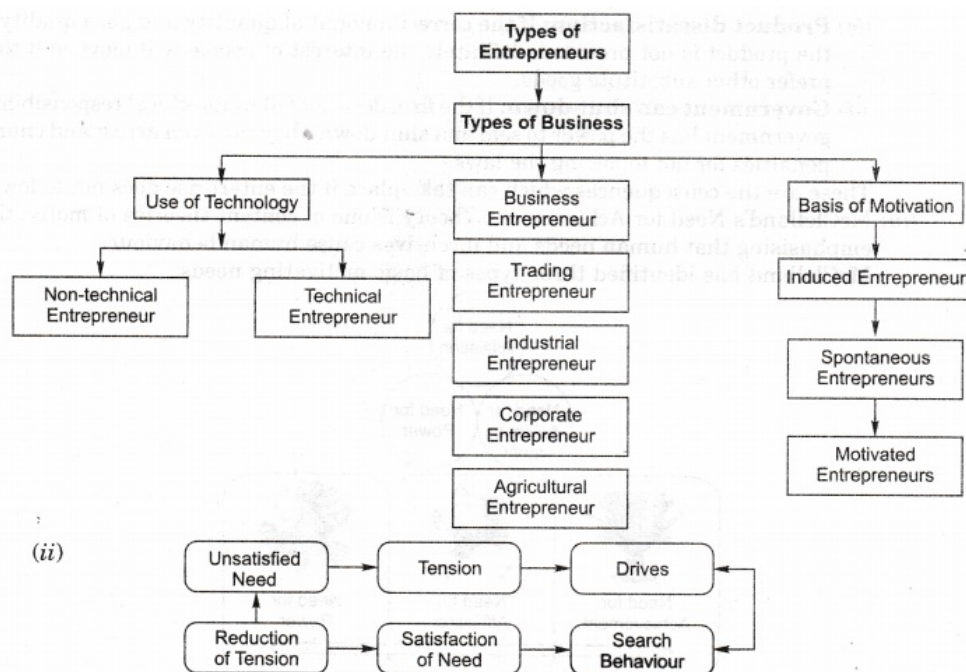
Explain any four entrepreneurial competencies.

Explain features of attitudes.

How do systematic planning and persistence help entrepreneurs become effective leaders?

Answer: (i) Entrepreneur is one who starts an enterprise, undertakes risk, problem solver, bears uncertainty and also performs the managerial functions of decision-making and coordinate with all employees.

Types of entrepreneur are as follows:



Motivation is essentially a process. It can be well expressed in the form of a model. On a careful analysis of the model, it can be understood that every individual possesses an urge or a need, or a multitude of needs, desires or expectations. The unsatisfied need leads to tension within the individual and motivates one to search for ways to relieve one's own tension. That tension leads one to certain drives and searching alternatives to achieve one's goal which will

eventually reduce tension.

(iii) Yes, it is true. Entrepreneurs cannot survive and grow without fulfilling the ethical responsibilities of the society. Ethics is the knowledge of what is wrong and what is right. Business ethics are often guided by law, and it provides a basic framework that a businesses may chose to follow in order to gain public acceptance. An entrepreneur has to follow his ethics to make sure the proper usage of human resources, country's natural resources, serve the society and the proper development of the country.

It includes:

- Giving proper wages to workers.
- Prohibiting child labour.
- Not polluting the environment with harmful industrial smoke and wastages.
- Ensuring proper and fuller utilization of natural resources.

There are many duties and responsibilities of a person towards a society, and towards nation. An entrepreneur as a part of the society and nation must follow ethical standards and if the enterprise abide the social and ethical responsibility then his /her business will flourish and then:

(a) **Reputation in the society:** The reputation of the firm will be badly affected and the people would not like the company and, who does not serve the society.

(b) **Employees may leave:** If the company/firm does not provide actual wages to the workers/employees then they may strike or may leave the organisation which will result in loss of production.

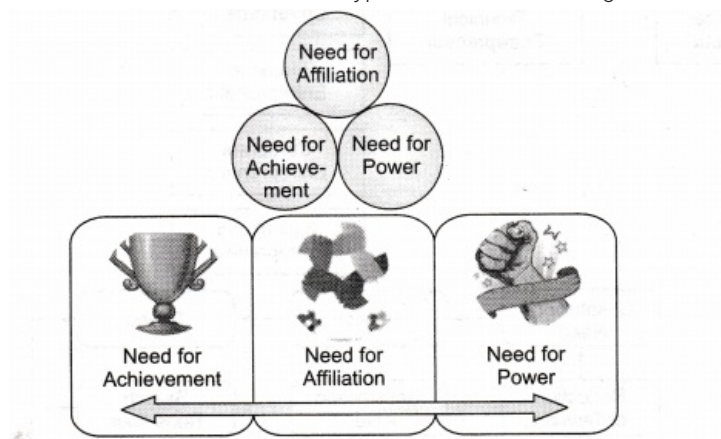
(c) **Product dissatisfaction:** If the correct amount of quantity and good quality of the product is not provided, definitely the interest of people will move and they prefer other substitute goods.

(d) **Government can shut-down:** If the firm does not follow its ethical responsibility, government has the power to seal and shut down, they can even arrest and charge penalties for not following the laws.

These are the consequences which can take place if the enterprise does not follow.

(iv) McClelland's Need for Achievement Theory is one of content theories of motivation emphasising that human needs and incentives cause human behaviour.

McClelland has identified three types of basic motivating needs:



(1) Need for Achievement or Achievement Motive:

- It refers to one's desire to accomplish something with own efforts and an intense desire to achieve.

- This theory has identified four basic characteristics of high achievers:

(a) **Moderate risks:** Taking moderate risks is the simple most descriptive characteristic of the person possessing high achievement need.

(b) **Immediate feedback:** Person with high need for achievement desires activities which provide immediate and precise feedback information how he is progressing towards a goal.

(c) **Accomplishment:** Person with high need for achievement finds accomplishing a task intrinsically satisfying in and of itself, or he does not expect or necessarily want the accompanying material rewards.

(d) **Preoccupation with the tasks:** Once a high achiever selects a goal, he tends to be totally preoccupied with the task until it is successfully completed. He will not feel satisfied unless he has put his maximum effort in completing the task.

- The need for achievement is characterized by the wish to take responsibility for finding solutions to problems, master complex tasks, set goals and get feedback on level of success.

(2) **Affiliation Motive or Need for Affiliation (N-Affil):**

- This refers to needs to establish interact and maintain friendly relations with others. ,
- According to this theory, people with high need for affiliation usually derive pleasure from being loved and tend to avoid the pain of being rejected.
- They are concerned with maintaining pleasant social relationships, understanding, and enjoy consoling and helping others in trouble.
- It is characterized by a desire to belong, an enjoyment of teamwork, a concern about interpersonal relationships, and a need to reduce uncertainty.

(3) **Need for Power or Power Motive (N-Pwr):**

- The ability to induce or influence behaviour is power.
- These means the one's desire to dominate and influence others by using actions.
- The need for power is characterized by a drive to control and influence others, a need to win arguments, a need to persuade and prevail.

Such individuals are generally seeking positions of leadership; they are forceful, outspoken, hard headed and demanding.

According to McClelland, the presence of these motives or drives in an individual indicates a predisposition to behave in certain ways. Therefore, from a manager's perspective, recognizing which need is dominant in any particular individual affects the way in which that person can be motivated.

People with achievement motives are motivated by standards of excellence, delineated roles and responsibilities and concrete, timely feedback. Those with affiliation motives are motivated when they can accomplish things with people they know and trust. And the power motive is activated when people are allowed to have an impact, impress those in power, or beat competitors.

(v) **Types of Business**

Depending on the nature, size and type of business, entrepreneurs are divided into five categories:

1. **Business Entrepreneur:**

- Business entrepreneurs are those who develop an idea for a new product or service and then establish an enterprise to materialise their idea into reality.
- Generally these types of entrepreneurs are found in the field of small trading and manufacturing concerns.

2. **Trading Entrepreneur:**

Entrepreneurs who undertake trading activities, whether domestic or overseas.

- They deal in buying and selling of manufactured goods.
- Before launching the business they identify the potential market for the product in order to stimulate the demand.
- They believe in creating a demand in the market, do market survey and push many ideas ahead of others in the form demonstration to promote their businesses.

For example: Vegetable sellers, fruit sellers, grocery shops, retail shops, supermarkets, wholesalers, etc.

3. **Industrial Entrepreneur:**

- Industrial entrepreneurs are also known as manufacturing entrepreneurs generally they convert the raw material into finished product.

They manufacture products and offer services, which have an effective demand in the marketing.

- They have the ability to convert economic resources and technology into a profitable venture.

For example: Enterprises like Hero Motorcorp and Hyundai Corporation.

Carpentry workshops, pottery, mat and basket weaving, tailoring, welding, making cars, saucepans, etc.

Other manufacturing businesses process agricultural products to produce different products, for example, milling factories, food processing and packaging, etc

- Textiles manufacturing businesses, which make clothes.

4. **Corporate Entrepreneur:**

- Corporate entrepreneurs are those who through their innovative ideas and skill able to organise, manage and control a corporate undertaking very effectively and efficiently.
- They are promoters of the undertakings/corporations, engaged in business, trade or industry.

5. **Agricultural Entrepreneur:**

- Agricultural entrepreneurs are those who undertake agricultural as well as allied activities in the field of agriculture.
- They engage in raising and marketing of various agricultural base products.

Ex: crops, fertilisers and other inputs of agriculture through employment of modern techniques, machines and irrigation.

Types of Agriculture Business:

- (a) **Crop production:** The businesses are engaged in the production and selling of crops like fruits, vegetables, coffee, cotton, maize, tea, flowers, tobacco, etc.
- (b) **Livestock production:** The businesses are engaged in the rearing and selling of different animals for their meat and other products like milk and skins, etc.
- (c) **Poultry keeping:** The businesses concentrate on rearing and selling different types of birds for their meat, eggs, skins and feathers.
- (d) **Agricultural support businesses:** Such businesses provide extension services, inputs like fertilizers, drugs, etc.

6. **Use of Technology:** The entrepreneurs may be classified into the following categories on the basis of application of new technology in various sectors of the economy.

(a) **Technical Entrepreneur:** The entrepreneurs who are technically skill by nature in the sense of having the capability of developing new and improved quality of goods and services out of their own knowledge, skill and specialisation are called a technical entrepreneur. They are essentially compared to craftsmen who concentrate more on production than marketing. Example, The roots of India's tech entrepreneurship boom extend back to the early 1980s, when a group of software engineers decided to form a business to provide technology services to overseas clients, based on the wide availability and low cost of India's human talent base. They called their company Infosys (INFY). It became the company that would go on to flatten the world.

(b) **Non-technical Entrepreneur:** Non-technical entrepreneurs are those who are mainly concerned with developing alternative marketing and distribution strategies to promote their business.

They are not concerned with the technical aspects of the product and services they are dealing with.

7. **Professional Entrepreneurs:**

- Professional entrepreneurs make it their profession to establish business enterprise, initially they work hard, and put maximum efforts and efficiency get a reputation with a purpose, to sell them once they are established.
- He/she is always looking forward to develop alternative projects by selling the running business.
- They are not interested in managing operations of the business established by him. By nature they are dynamic.

8. **Motivation:** Based on their motivating factors, entrepreneurs can be classified into three types such as spontaneous, induced and motivated entrepreneurs.

(a) **Spontaneous Entrepreneurs:** Spontaneous entrepreneurs are otherwise known as pure entrepreneurs, who are motivated by their desire for self-fulfilment and to achieve or prove their excellence in job performance. They undertake entrepreneurial activities for their personal satisfaction in work, ego, or status. Their strength lies in their creative abilities. They are the natural entrepreneurs in any society. They do not need any external motivation.

(b) **Induced Entrepreneurs:** Induced entrepreneurs enter into entrepreneurship because of various governmental supports provided in terms of financial assistance, incentives, concessions and other facilities to the people who want to set up their new enterprises. Sometimes prospective entrepreneurs are induced or even forced by their special circumstance, such as loss of job or inability to find a suitable job according to their talent and merit to adapt to entrepreneurship.

(c) **Motivated Entrepreneurs:** Motivated entrepreneurs are motivated by their desire to make use of their technical and professional expertise and skill in performing the job or project they have taken up. They have enough confidence in their abilities. They are highly ambitious and are normally not satisfied by the slow progress in their jobs. They enter entrepreneurship because of the possibility of making and marketing of some new products or service for the use of the prospective consumers. If the product or service is developed to a saleable stage and the customers accept the same, the entrepreneur is then further motivated by reward in terms of profit.

McClelland theorized that individuals have three basic motivational needs: affiliation, power and achievement. The affiliation motive can be explained as a strong desire for individual and/or group approval, and it reflects the desire for social acceptance and friendship. The power motive can be satisfied by being in control, and it can be expressed as a strong desire to change events and to exercise influences over others. The achievement motive is based on the need to achieve and win; it is characterized by working hard, and succeeding. For management, all three motives—affiliation, power, and achievement are important when it comes to motivating employees.

(vi) **Following are four entrepreneurial competencies:**

(a) **Initiative:**

- It is the first step in the enterprise.
- It is the ability to make decisions and take action without asking for the help or advice of others.
- It is essential for an entrepreneur to be active quick decision-maker.
- An entrepreneur has to be keen observer of the society, the commercial trends, the product types, the change dynamics and the consumer trends.

(b) **Creativity and Innovation:**

- Competency in creativity and innovation are sometimes basic traits of certain individuals.
- He/she might not have any new ideas.
- He/she may use the creative ideas and innovative products and services to meet the challenges of a situation, take advantage of the utility of an idea or a product to create wealth. Example, changes in the packaging of potato chips.

(c) **Risk Taking and Risk Management:**

- Risk refers to the condition of not being able to predict the outcome of an activity or decision. He/she treads into areas of uncertainty.
- It provides the entrepreneur with the set of controls to monitor the venture.
- Every entrepreneur must identify the risk, by considering all factors economic conditions, political factors, market research and financial resource mobilization, demand supply in the market, acceptability of the product design and service which throw a potential challenge to the entrepreneur.

In order to attune oneself in the skill of risk taking and management he should practice in several areas of entrepreneurial functions such as entering into new market.

- For example, when Dhirubhai Ambani faced cash crunch he took the risk of issuing shares in

1977 to the public when they were not aware about the share market.

(d) Problem Solving:

Entrepreneur must be aware that he has started a new business and many problems are bound to hinder in the path of progress and he cannot escape from them. He/she should

- understand that there is more than one way of solving problems, look for alternative strategies, resources that would help to solve the problem, generate new ideas, products, services, etc.

In problem solving an entrepreneur has to take various decisions which should be effective and arriving at creative solution and give better results thereof.

For example: When an entrepreneur faces cash crunch he should look for alternative sources for receiving funds. Ratan Tata shifted the manufacturing plant of Nano cars from Singur to Sanand due to unforeseen complexities.

(vii) Features of Attitude:

1. **Affects behaviour:** People have a natural tendency to maintain consistency between attitude and behaviour. Attitudes can lead to intended behaviour if there is no external intervention.
2. **It is invisible:** It constitutes a psychological phenomenon which cannot be directly observed. However, we may observe an attitude indirectly through observing its consequences. For example, if a person is highly productive, we may infer that he has a positive attitude towards his/her work.
3. **Attitudes are acquired:** Attitudes are gradually learnt over a period of time. The process of learning attitudes starts right from childhood and continues throughout the life of a person. However, in the beginning, the family members have a greater impact on the attitude of a child.
4. **Attitudes are pervasive:** They are formed in the process of socialisation and may relate to anything in the world. For instance, a person may have positive and negative attitudes towards religion, politics, politicians or countries.

(viii) Systematic means "in an orderly way". Planning is deciding what action you are going to take in future. All entrepreneurs before going to start an enterprise must make a systematic plan which will help them to prepare an action plan for every area of operation in order to achieve the pre-determined goals and persistence refers a 'never say die' attitude, not giving up easily, striving continuously until success is achieved. Entrepreneurs have the determination to persevere in the face of obstacles. Whenever any **problem arises he takes the following steps:**

- Take action in the face of significant obstacles and challenges;
- Take persistent actions, or switch to an alternative strategy to meet a challenge or obstacle; and
- Take personal responsibility for the performance necessary to achieve goals and objectives.

It means after making a systematic planning, whenever an entrepreneur faces certain obstacles/barriers in business, he continues in his pursuit of excellence and become an effective leader.

Question 5. Answer the following in about 250 words:

(i) Explain any six essential attitudes of an entrepreneur.

(ii) Explain Maslow's Theory of Motivation.

(iii) Differentiate between an entrepreneur and an employee.

(iv) "Competencies is a set of defined behaviours." State the types of competencies required by an entrepreneur? Explain.

(v) "Entrepreneur's decisions can strengthen or seriously weaken a firm's future business viability." Discuss this statement in the light of necessity of ethics for society and development of business.

Answer: (i) The following twelve attitude attributes can put one in the right mindset for achieving entrepreneurial success.

1. Have passion for the business: Entrepreneur's should always work with fun and in passion,

which will help to overcome difficult moments and he will be able to persuade people to work for him.

Passion can't be taught. When it wanes, as it surely will in difficult times, take some quiet time. Whether it be an hour or a week, take inventory of all the reasons one started the business and why one likes being one's own boss.

2. Set an example of trustworthiness: Trustworthy entrepreneurs are always welcomed by the people/employees, as they feel confident and want to work for them in a culture of integrity.

The same is true for customers.

3. Be flexible, except with core values: Entrepreneurs make plans and strategies and it will change as time goes on. It is the ability of an enterprise able to anticipate changes in environment, consumer preferences, government policies, fashion and style of living and to adapt to changing circumstances and thus remain a profitable enterprise. A responsible entrepreneur strikes a balance between making profits, flexibility in plans and core values i.e. doing good for their employees, customers, vendors, the environment and other stakeholders.

4. Don't let fear of failure hold one back: Failure is an opportunity to learn. All things being equal, venture capitalists would rather invest money in an individual who tried and failed founding a company than in someone who never tried.

5. Make timely decisions: Failures flow from bad decision, decision-making is like moving from darkness to light, it is creating events and shaping a future. To use one's intuition is good but procrastination leads one to miss opportunities. So it is suggested to make timely decisions.

6. The major company asset is oneself: Health is wealth. It means each one should take care of oneself. The most important and valuable asset of an enterprise is health of each people involved in the business. One doesn't have to choose between one's family or company, play or work. Maintain one's own health for balance and energy, which will, in turn, enhance one's outlook.

7. Keep one's ego under control: Don't take profits and spend them on expensive toys to impress others. Build a war chest for unexpected needs or opportunities. This also means hearing out new ideas and suggestions no matter how crazy they sound.

8. Believe in oneself: To be a successful entrepreneur one needs to believe in one's own self, in one's company, one's employees, customers, stakeholders, suppliers and must be capable of with everyone with full confidence.

9. Encourage and accept criticism graciously. Admitting one's mistakes: An entrepreneur must play a dual role, as he needs to constantly work on convincing one's employees by encouraging them and other side even when necessary to state their honest opinions wherever required.

10. Maintain a strong work ethic: When an enterprise is beating other competitors, particularly those who are dealing with the same product or services. As a responsible entrepreneur he must follow the various business ethics and maintain a strong work ethic.

11. Rebound quickly from setbacks: The entrepreneur should be aware of the obstacles and certain ups and downs which is likely to occur in a business. He must learn and understand it from the setbacks and always try to move ahead.

12. Periodically getting out of one's comfort zone to pursue something important: Many times one feels uncomfortable while implementing a needed change in technology, people, mission, competing, etc. For the company and one to grow personally, one sometimes has to step out of one's comfort zone.

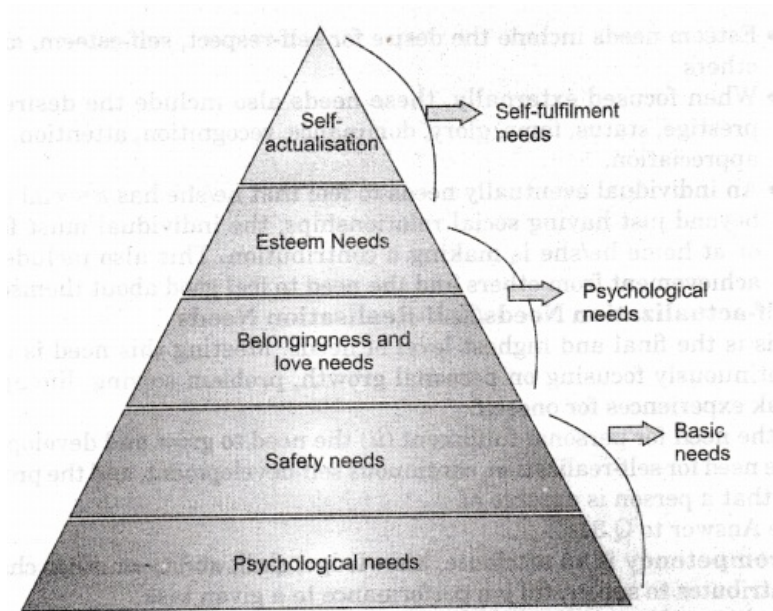
(ii) Maslow's Hierarchy of Needs

In 1943, Abraham Maslow developed one of the earliest theories of human motivation, commonly referred to as Maslow's Hierarchy of Needs. Maslow's theory of motivation is called the "hierarchy of needs". Maslow believes that people would not move down on this list to be motivated by the next set of needs until the previous set(s) had been satisfied.

Maslow believes that people have five main needs in the following order of importance:

Physiological Needs: are deemed to be the lowest-level needs. These needs include: (a) the need to eat (b) the need to drink (c) the need to work (d) the need to sleep (e) the need to reproduce.

- As long as physiological needs are



unsatisfied, they exist as a driving or motivating force in a person's life.

- A hungry person has a felt need. This felt need sets up both psychological and physical tensions that manifest themselves in overt behaviours directed at reducing those tensions (getting something to eat). Once the hunger is stated, the tension is reduced, and the need for food ceases to motivate. At this point (assuming that other physiological requirements are also satisfied) the next higher order need becomes the motivating need.

Safety Needs: The needs for shelter and security become the motivators of human behaviour.

This include the following twelve motivating factors: (1) job security and stability, (2) sympathetic help with personal problems, (3) personal loyalty to employees, (4) interesting work, (5) good working conditions, (6) tactful discipline, (7) good wages, (8) promotions and growth in the organization, (9) feeling of being in on things, (10) full appreciation of work done, (11) freedom from fear and anxiety, and (12) need for structure, order and law.

In the workplace this needs translates into a need for at least a minimal degree of employment security; the knowledge that we cannot be fired on a whim and that appropriate levels of effort and productivity will ensure continued employment. Social Needs/Belonging Needs include the need for belongingness and love.

(a) The need to feel part of a group

(b) The need for acceptance

- Generally, as gregarious creatures, human have a need to belong.
- In the workplace, this need may be satisfied by an ability to interact with one's co-workers and perhaps to be able to work collaboratively with these colleagues.

Self-Esteem Needs:

- After social needs have been satisfied, ego and esteem needs become the motivating needs.
- Esteem needs include the desire for self-respect, self-esteem, and the esteem of others.
- When focused externally, these needs also include the desire for reputation, prestige, status, fame, glory, dominance, recognition, attention, importance, and appreciation.
- An individual eventually needs to feel that he/she has a social status. This goes beyond just having social relationships; the individual must feel that in work or at home he/she is making a contribution. This also includes recognition of achievement from others and the need to feel good about themselves.

Self-actualization Needs/Seif-Realisation Needs:

This is the final and highest level of needs. Meeting this need is characterized by continuously focusing on personal growth, problem solving, life appreciation, and peak experiences for oneself.

(i) the need for personal fulfilment

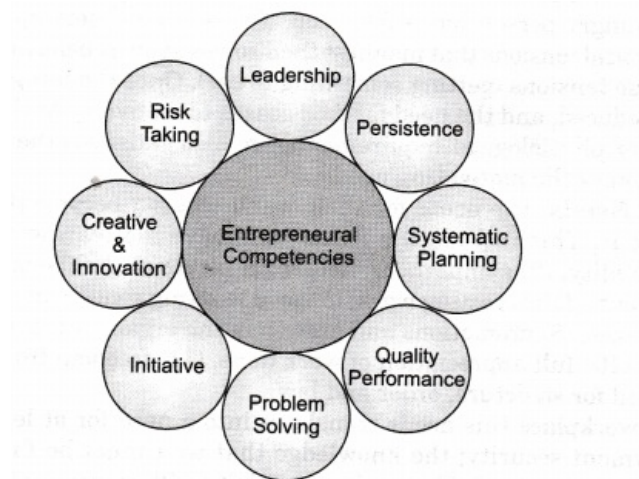
(ii) the need to grow and develop.

The need for self-realization, continuous self-development, and the process of becoming all that a person is capable of.

(iii) See Answer to Q.3 (v).

(iv) A competency is an attribute, knowledge, skill, ability or other characteristic that contributes to successful job performance to a given task.

Yes, it is a set of defined behaviours as it can be observable and measurable, it also includes knowledge, skills, abilities, teamwork, cooperation and communication contribute to individual success in the organization. It provides a structured guide enabling the identification, evaluation and development of behaviours in an individual. Entrepreneur should also acquire and follow certain basic competencies. They are as follows:



These relate to the type of behaviour exhibited in the performing of various tasks in the discharge of his functions.

Some of these competencies are latent in the entrepreneur, which need to be identified, nursed and nurtured. Others are acquired through training and practice.

Initiative:

- It is the first step in the enterprise.
- It is the ability to make decisions and take action without asking for the help or advice of others.
- It is essential for an entrepreneur to be active quick decision-maker.
- An entrepreneur has to be keen observer of the society, the commercial trends, the product types, the change dynamics and the consumer trends.

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He/she might not have any new ideas.

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Example, changes in the packaging of potato chips.

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- Risk refers to the condition of not being able to predict the outcome of an activity or decision.

He/she treads into areas of uncertainty.

- It provides the entrepreneur with the set of controls to monitor the venture.
- Every entrepreneur must identify the risk, by considering all factors, economic conditions, political factors, market research and financial resource mobilization, demand supply in the market, acceptability of the product design and service which throw a potential challenge to the entrepreneur.
- In order to attune oneself in the skill of risk taking and management he should practice in several areas of entrepreneurial functions such as entering into new market.

- For example, when Dhirubhai Ambani faced cash crunch he took the risk of issuing shares in 1977 to the public when they were not that aware about share market.

Problem Solving: Entrepreneur must be aware that he has started a new business and many problems are bound to come in the path of progress and he cannot escape from them. He/she should—

- understand that there is more than one way of solving problems,
- look for alternative strategies,
- resources that would help to solve the problem,
- generate new ideas, products, services, etc.

In problem solving an entrepreneur has to take various decisions which should be effective and arriving at creative solution and give better results thereof.

For example: When an entrepreneur faces cash crunch he should look for alternative sources for receiving funds. Ratan Tata shifted the manufacturing plant of Nano cars from Singur to Sanand due to unforeseen complexities.

Leadership:

- Leadership is the ability to exert interpersonal influence by means of communication towards the achievement of goals.
- Entrepreneurs as the effective leaders should provide the necessary spark to motivation by guiding, inspiring, assisting and directing the entire team for achievement of unity of action, efforts and purpose.
- An entrepreneur should also be an effective leader who should be able to guide and motivate his/her entire team.
- Whenever a company faces problem it is the will power and effective business acumen and communication skills, sense of confidence and conviction which oversees the success of the corporation.

Persistence:

- A 'never say die' attitude, not giving up easily, striving information seeking continuously until success is achieved.
- Creating a need in the market for the enterprise is one of the main requirements of the entrepreneur. This calls for intense perseverance on the part of the entrepreneur. Failures or Roadblocks to success should not deter the entrepreneur. For example:(a) Mixers when introduced, did not have many customers but today, we find it to be an essential part of kitchen accessories.

(b) When Mahima Mehra brought out her product – Haathi Chaap, she had experimented on various other material before using elephant dung to manufacture hand-made paper.

Quality Performance: A successful entrepreneur values outstanding performance, one of the behavioural skills necessary is the sensitivity to and concern for the 'standards' and 'quality of work'.

One develops the skill of comparing the quality of the product/services with certain standards, which he/she himself evolves or are set by others.

For example: Steve Jobs, the brain behind Apple and I-pod, is known to value quality in all the products introduced by the company.

Information Seeking:

- Information plays a very crucial role at every stage of enterprise building and management. An entrepreneur has an urge to look for the required information in order to make an informed decision.
- The success and failure of any business totally depend upon the information collected (should be quality information) and decision-making by the collected information, for example, selecting, starting and successfully managing the desired business.

The information collected can be of different sources like—

- by personally conducting research,
- using feedback from previous related experience, etc.

- by personally observing the on-going and related business or activities,
- by personally conducting research, trials and developing prototype and organizing trials on smaller scales,
- by establishing contacts with the reliable information network.

Systematic Planning:

- All entrepreneurs before going to start an enterprise, he must have systematic planning which will help him to prepare an action plan for every area of operation in order to achieve the pre-determined goals.
- Every entrepreneur has limited resources in terms of time, finance, and manpower and he cannot to loss or waste. Before putting the whole enterprise into operation, he is required to develop a detailed blueprint.

Persuasion and Influencing Others:

- Persuasion in entrepreneurship refers to the ability of entrepreneurs to link, convince and influence other individuals, groups, agencies, creditors, debtors, customers and even competitors in order to create a contact, good foothold in the market and maintain good rapport.
- Each and every entrepreneur has to influence the environment comprising of individuals and institutions, for mobilizing resources, obtaining inputs, organizing production and selling products and services.
- All these require skill of persuasion and convincing and have to practice highlighting the strong points of their products and services in the market explaining the technological competencies of their enterprise to produce quality goods and services.

Enterprise Launching Competencies: Opportunities exist, but not all people respond to them.

Large groups in society can perceive only the apparent and traditional openings of earning.

At the same time, resources are also available to all members of the society, but very few make efforts to ensure best use of these resources.

Entrepreneurs should identify and avail the facilities and resources needed to launch their enterprises.

Enterprise Management Competencies: The enterprise may be small or big but it demands management abilities on the part of its owner or manager.

Various management functions such as production, marketing, finance, etc., are crucial functions to entrepreneurs. These influence the result directly, and therefore, are necessary determinants for the sustenance of an enterprise/

(v) Entrepreneur's decision can strengthen a firm's future business viability, by following some ethical standards in their business practices:

- (a) Providing quality and correct quantity of goods to consumers
- (b) Keeping in mind the environmental issues during production
- (c) Paying the minimum and correct wages to the workers
- (d) Not to use child labour in their production
- (e) Judicious use of natural resources.
- (f) Integrity, promise keeping, commitment, and truthfulness towards employee, consumers other competitors, etc.

For example: Karsan Bhai Patel, the creator of Nirma Washing Powder, who was working as a factory chemist in Gujarat Mineral Development Corporation, started making detergent powder in his kitchen for poor rural women of Gujarat and selling his product by visiting different villages. His efforts culminated in the whitish yellow detergent powder named Nirma. The idea behind was need and the problem of the society that could not afford other brands of detergent powders because of their high cost. Today, Nirma is one of the world's biggest detergent powder manufacturer. The strength of being capable is the plus point in an entrepreneur.

Entrepreneurs make choices and take actions that affect many, usually without the moral guidance available in established organisations. "Entrepreneur's decisions can seriously

weaken a firm's future business viability." Some common types of unethical action by an enterprise or an entrepreneur.

- Theft, manipulating suppliers, bribery, embezzlement, evading taxes, failure to withdraw a defective product from the marketplace, adulteration, stealing supplies, falsification, etc.

For example: The cases of Enron, World Com are the examples of results of unethical decisions by key personnel of those enterprises. For example: The collapse of Enron is a scandal of a major energy provider that used to be the seventh largest corporation in America and became the biggest bankruptcy in the US corporate history. Unethical issues are:

- Enron used many manipulative accounting practices,
- Sophisticated accounting techniques to keep its share price high,
- Raise investment against its own assets,
- Artificially inflated profits, questionable accounting practices and fraud.

For example: Ramalinga Raju. We all are aware of the fraud at Satyam – a case of unethical practice.

Question. 6.Higher Order Thinking Skills

(i) The government launched a programme for pollution free zones and provides financial assistance to entrepreneurs. By inducing such assistance, Ms. A was induced to enter into entrepreneurship. This included in which category? Explain.

(ii) What are the basic differences between Maslows and McClellands Theory of needs?

(iii) "An entrepreneur who is fulfilling the ethics and moral responsibility towards society is an asset for society and should be survive and grow." Explain.

(iv) "Many problems are bound to come in the path of progress, Ratan Tata shifted the manufacturing plant for Nano Cars from Singur to Sanand due to unforeseen complexities". Which type of competency is shown here? Discuss.

(v) "Raju is a 16 year young boy, working hard to earn his living. He also tries to save some part of his earnings to acquire basic education". He falls in which level of need as propounded by Maslow in his Motivational Theory?

Answer: (i) It is based on motivating factor, included in the category of Induced Entrepreneur.

Induced Entrepreneurs:

- Induced entrepreneurs enter into entrepreneurship because of various governmental supports.
- Interested entrepreneurs get support from the government to set up of their new enterprises in terms of financial assistance (in the form of Grants and Aids) incentives, concessions and other facilities.
- Sometimes prospective entrepreneurs are induced or even forced by their special circumstance, such as loss of job or inability to find a suitable job according to their talent and merit to adapt to entrepreneurship.

(ii)	Basis	Maslow's Hierarchy of Needs	McClelland's theory of Needs
	1. Meaning	This theory was proposed by Abraham Maslow and is based on the assumption that people are motivated by a series of five universal needs. These needs are ranked, according to the order in which they influence human behaviour, in hierarchical fashion.	McClelland's Need for Achievement Theory is one of content theories of motivation emphasising that human needs and incentives cause human behaviour.
	2. Outline	It actually outlines different things with very specific examples of what is in each level of need.	McClelland outlined what he believed are three basic needs present in all people (in different intensities).
	3. Content	Maslow's Hierarchy of Needs – people try to satisfy the various needs according to a specific hierarchical pattern.	McClelland's Acquired Needs Theory – needs are to some extent acquired and can therefore be influenced, just as several simultaneous needs influence a person's behaviour.
	4. Levels of needs	The 5 levels of needs are: 1. Physiological 2. Safety/Security 3. Belongingness and Love 4. Esteem 5. Self-actualisation	The three needs motivate people are: 1. Achievement 2. Affiliation 3. Power
	5. Based on	This theory was proposed by Abraham Maslow and is based on the assumption that people are motivated by a series of five universal needs.	This theory was proposed by McClelland's and is based on the experiment, i.e. conducted, over 1,000 studies.
	6. Order/layer of needs	Until the lower-layer needs are satisfied, they will not move to satisfy the upper-layer needs.	No specific level in employee's needs – there is no order for the three needs, no particular one has to come first or last.
	7. Usefulness	Maslow's can help you to use the hierarchy to identify what drives your employees. 1. Helps to understand people's needs. Helps to motivate employees. 2. Helps to decide rewards at each level. Helps in recognizing potential can be used to describe the kinds of information individual's seek at different levels of development.	McClelland's theory can help you to identify the dominant motivators of people on your team. 1. It can be used to for boosting morale in employees. 2. It can be used to influence how you set goals and provide feedback, and how you motivate and reward team members. It can also use these motivators to craft, or design, the job around your team members, ensuring a better fit.

(iii) According to Prof. Robert Dahd, Ethics is an obligatory on the part of business enterprise to be a socially responsible as they primarily exist to benefit society. Mahatma Gandhi observed, "If God has given you more wealth it is for the welfare of others. Keep what you need and distribute rest among less fortunate brethren."

The following are some ethical standards in their business practices like which is to be followed by an entrepreneur:

- Providing quality and correct quantity of goods to consumers.
- Paying adequate taxes to government.
- Giving true information to employee, bankers, consumers, creditors, government.
- Fair practices for promotion, compensation, lay-off, fringe benefits, other facilities.
- Give proper information to customers about dangers of using a product.
- Respect property rights.
- Keeping in mind the environmental issues during production.
- Paying the minimum and correct wages to the workers.
- Not to use child labour in their production.
- Judicious use of natural resources.

All those entrepreneurs who is following the ethics and moral responsibility towards society is an asset for society and should be survive and grow.

Examples of such entrepreneurs:

- Parker brothers withdrew its best selling toy, when children were choked to death by

swallowing some parts of the toy and remain successful for long term.

- Nandita Bijur owner of Uma Food Products, an enterprise worth several crores of rupees.
- Karsan Bhai Patel, creator of Nirma Washing powder.
- Dhirubhai Ambani most successful entrepreneur of the world.

Their ethical value system provided them with rational economic attitude and successful entrepreneurs of the world.

(iv) Type of competency is shown here is Problem Solving.

Competency relates to the type of behaviour exhibited in the performing of various tasks in the discharge of his functions. These competencies are latent in the entrepreneur, which need to be identified and acquire by which he should be able to face the problems with attention confidence and conviction. In the business world, problem solvers take risk but often create value by solving a problem related to, within a business or outside business like customer, market-key to creating a profitable enterprise. The more or larger problems an entrepreneurial organization solves, the more profit it can generate.

A business entrepreneur Ratan Tata is a person who had undertaken some effort with risk for the benefit of others. He was aware that, the venture he started was established on a new area and he has taken certain calculated risks, he was also aware of, that many problems are bound to come in the path of progress, during that time only taken a firm decision and when any problems like unforeseen complexities had come in the path of progress, then only he had taken a firm decision and shifted the manufacturing plant for Nano Cars from Singur to Sanand.

It clearly shows that most of the entrepreneur identified and understand the problem, find more than one ways for solving problems and, look for alternative strategies or resources that would help to solve the problem, generate new ideas, products, services, etc. At last, He has taken an entrepreneurial action with systematic efforts to solve problems.

(v) Raju falls in Safety Needs as propounded by Maslow in his Motivational Theory. Reason: In the workplace this needs translates into a need for at least a minimal degree of employment security; the knowledge that we cannot be fired on a whim and that appropriate levels of effort and productivity will ensure continued employment.

Question. 7. Application Based Exercise:

Answer: 1. Read the following story.

A young man was passing through a site of construction. He saw three labourers working at the site. He went to one of them and asked "What are you doing here?" The worker answered, "Don't you see? I am making out a living. I am working to earn."

The young man moved towards the second man and asked him the same question. Pat came the reply "Don't you see? I am constructing a wall".

The young man moved towards the third man and repeated the same question.

The labourer replied "Don't you see? I am building a beautiful mansion".

Answer the following questions:

A.All the three were doing the same work, then what differentiates them?

B.What is important to do a piece of work effectively and efficiently?

C.Whose answer reflected a positive attitude?

Answer: A.Yes, all the three labourers were doing the same work, their attitude to work differentiated them.

B.Right attitudes are important for doing work efficiently and effectively. An entrepreneur should have a right and positive attitude.

C.The third labourer, when he replied that "he is building a beautiful mansion". As his attitude was right and positive.

MORE QUESTIONS SOLVED [1 MARK]

I. Very Short Answer Type Questions

Question 1. How can an entrepreneur be classified based on the type of business?

Answer: Depending on the nature, size and type of business, entrepreneurs are divided into the following categories:

1. Business Entrepreneur
2. Trading Entrepreneur
3. Industrial Entrepreneur
4. Corporate Entrepreneur
5. Agricultural Entrepreneur
6. Use of Technology:
 - (i) Technical Entrepreneur
 - (ii) Non-technical Entrepreneur
7. Professional Entrepreneur
8. Motivational Entrepreneur:
 - (i) Spontaneous Entrepreneur
 - (ii) Induced Entrepreneur
 - (iii) Motivated Entrepreneur

Question 2. How do sometimes prospective entrepreneurs become induced entrepreneurs?

Answer: Sometimes prospective entrepreneurs are induced or even forced by their special circumstance, such as loss of job or inability to find a suitable job according to their talent.

Question 3. What do you understand by Ethical Entrepreneurship?

Answer: Ethical Entrepreneurship is an amount to the achievement of ethical goals through entrepreneurship.

Question 4. Maslow defines one of the needs in the need hierarchy "As the desire to become everything one is capable of becoming." Identify and explain.

Answer: Self-actualisation needs refers to final stage under the need hierarchy model. It refers to self-fulfilment which means to become actualised in what one is potentially good and creative at. After his need is fulfilled a man has the desire for personal achievement. He want to do something challenging job, creative tasks, advancement opportunities and achievement in work. All those entrepreneurs who may achieve self-actualisation are called as a successful entrepreneur.

Question 5. Give two examples of esteem needs.

Answer: (i) Self-respect (ii) Self-recognition (iii) Self-image

Question 6. Give two examples of self-actualisation needs.

Answer: (i) Growth (ii) Self-fulfilment

Question 7. Define psychological needs.

Answer: Psychological needs can be defined as the basic needs of the survival.

Question 8. Give an example of security needs of an individual.

Answer: Job Security.

Question 9. Which needs are referred to as 'Belonging Needs'?

Answer: Sense of belongingness, affection.

Question 10. Define Attitude.

Answer: It may be defined as the way a person feels about something—a person, a place, a

commodity, a situation or an idea.

Question 11. Name two necessary backdrop for acquiring the sense of enterprise.

Answer: The entrepreneurial values and attitudes provide the necessary backdrop for acquiring the sense of enterprise.

Question 12. Define Ethics.

Answer: Oxford definition of ethics:

"The characteristics, spirit and beliefs of community, people."

Question 13. Define Business Ethics.

Answer: These are principles which govern business activities and provide a code of conduct for the managers and other concerned.

Question 14. What happens in the absence of entrepreneurial competencies?

Answer: In the absence of entrepreneurial competencies, the entrepreneur may be well oriented, but may not be successful in venture.

Question 15. What do you think creativity is an ability of an entrepreneur or an activity of an entrepreneur?

Answer: Creativity is not an activity but it is an ability to bring something new into existence and give some value to the product.

Question 16. Who brings new things into existence?

Answer: An innovator brings new things into existence, he only converts an idea into reality.

Question 17. State the importance of entrepreneurial values and attitudes.

Answer: The entrepreneurial values and attitudes provide the necessary backdrop for acquiring the sense of enterprise.

Question 18. How an entrepreneur can develop the competency of creativity and innovation?

Answer: By continuous practice.

Question 19. Name the highest need in Maslow's hierarchy.

Answer: The highest need in Maslow's hierarchy is that of self-actualization.

Question 20. Name the lowest-level needs in Maslow's hierarchy.

Answer: Physiological needs are deemed to be the lowest level needs in Maslow's hierarchy.

Question 21. Who are called inherited entrepreneurs?

Answer: Inherited entrepreneurs are those, who run the enterprise/firms which are passed from one generation to another. They inherit the family business.

Question 22. Name the other term used for 'Ethical Entrepreneurship'.

Answer: Ethical Entrepreneur is also merge with the terms 'Social Entrepreneurship', 'Social Corporate Entrepreneurship' and 'Corporate Social Responsibility'.

Question 23. Who are called as Professional Entrepreneurs?

Answer: Professional entrepreneur first establish their business with a purpose and after that they sell it off to other to earn high amount of profit.

Question 24. Name the entrepreneur who introduced the logo given and the idea behind the

same.

Answer: Mahima Mehra started Hathi Chaap. It was totally a new venture where different raw materials were tried out to make hand-made paper. After researching a lot, they found that elephant dung had more fibre content which made it easy to make hand-made paper.



Question 25. Name and explain the type of entrepreneur who seldom survive long.

Answer: Drone Entrepreneurs:

The fourth type is the Drone Entrepreneurs, who refuse to copy or use opportunities that come their way. They are conventional in their approach. They are not ready to make changes in their existing production methods even if they suffer losses. They resist changes. They may be termed as laggards. They are the type of entrepreneur who seldom survive long.

Question 26. How the people with achievement motives are motivated?

Answer: People with achievement motives are motivated by:

- (i) Standards of excellence, (ii) Delineated roles
- (iii) Responsibilities and concrete, (iv) Timely feedback.

Question 27. How the people with affiliation motives are motivated?

Answer: Those with affiliation motives are motivated by when they can accomplish things with people they know and trust.

Question 28. How the people with power motives are motivated?

Answer: The power motive is activated when people are allowed to have an impact, impress those in power, or beat competitors.

Question 29. "Passion can be taught." This statement shows which attitude of an entrepreneur? What does this statement show?

Answer: This statement shows attitude of passion for the business.

Question 30. Name the type of an entrepreneur who built the modern capitalism.

Answer: Innovative entrepreneurs who build the modern capitalism.

Question 31. Name the competency which deals with the "Standards" and "Quality of work"?

Answer: Quality performance is the competency which deals with the "Standards" and "Quality of work".

Question 32. When do Fabian entrepreneur exhibit the property of imitative entrepreneur?

Answer: Fabian entrepreneur imitate only when they are sure that failure to do so would result in a loss of the relative position in the enterprise.

Question 33. Which value enables an entrepreneur to develop a 'mission' concept which drives them to achieve their goal with clear vision?

Answer: Independence or ownership (self-reliance).

II. Short Answer Type Questions [2/3 Marks]

Question 1. Who are Fabian Entrepreneurs? Give one example.

Answer:

1. Fabian entrepreneurs are very shy and lazy.
2. They are very cautious and skeptical while practising any change.
3. Their dealings are determined by customs, religion, tradition and past practices and experience.
4. They do not venture or take risks. They are rigid and fundamental in their approach.
5. They are second generation entrepreneurs in a family business enterprise. They follow the footsteps of their predecessors.
6. They imitate only when they are sure that failure to do so would result in a loss of the relative position in the enterprise.

Question 2. Name few first generation entrepreneurs.

Answer:

- Dhiru Bhai Ambani (Reliance)
- Naresh Goyal (Jet Airways)
- N.R. Narayan Murthy (Infosys).

Question 3. Who are called technical entrepreneurs?

Answer: Entrepreneurs have a science and technology background who is building a business where technology is core to the business. For example: N.R. Narayan Murthy (Infosys)

Question 4. Define women entrepreneurs.

Answer: The Government of India has defined an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and giving 51 per cent of the employment generated in the enterprise to women.

Question 5. Who are called women entrepreneur?

Answer: Women entrepreneurs are those who belong to female sex. They establish a business enterprise, initiate it, organise all resources, operate and undertake risk and give contribution for the growth of the countries. They are generally found in developed and developing countries.

Question 6. Why are innovative entrepreneurs generally aggressive?

Answer: Innovative entrepreneurs are generally aggressive. They believe in experimentation and attractive possibilities into practice. They are one who quickly introduces new products, new methods of productions and new technology and explore new markets.

Question 7. Give common examples of unethical action performed by an enterprise or entrepreneur.

Answer: Some common examples of unethical action by an enterprise or an entrepreneur.

- Theft
- Manipulating suppliers
- Bribery
- Embezzlement
- Evading Taxes
- Failure to withdraw a defective product from the market place

- Adulteration
- Stealing supplies
- Falsification

Question 8. Name few institutions in India which are famous for giving away innovation awards.

Answer: In India few institutions like, Marico, manufacturers of Parachute hair oil, Saffola, Kaya Skin Clinic Industries have institutionalised innovation awards, where they receive 30-40 entries every year for innovations across the spectrum, including factories, brand, sales and HR, virtually covering the whole organisation.

Question 9. When and by whom was Kinetic engineering Ltd. founded?

Answer: Kinetic Engineering Limited is the flagship company of Firodia Group of companies, one of the pioneering groups in automobiles in India, founded in 1972 by Mr. H.K. Firodia.

Question 10. Name the model of bicycle introduced by Kinetic Engineering Ltd. through intrapreneurship.

Answer: The company encourages employees to use their time efficiently for innovation in its upcoming products. The Kinetic Zing model of bicycle was the idea of an employee working in the corporation.

Question 11. Explain the consequences of not encouraging intrapreneurship with the help of an example.

Answer: The important consequences of not encouraging intrapreneurship:

1. Employee may leave the job and may start his/her own business.
2. He may get frustrated.
3. He may sell his idea to a competitor.
4. He may not work with efficiency and will not work on time.

Example: A classic case of entrepreneurs is that of the founders of Adobe, John Warnock and Charles Geschke. They both were employees of Xerox. As employees they were frustrated because their new product ideas were not encouraged. They quit Xerox in the early 1980s to begin their own business. Currently, Adobe has an annual turnover of over \$3 billion.

Question 12. Name the Latin word for 'motivation'.

Answer: The word 'motivation' has its origin in the Latin word 'movere,' meaning "to move." Psychologically, it means an inner or environmental stimulus to action, forces or the factors that are responsible for initiation, sustaining behaviour.

Question 13. List out the competencies and state which one is the most important and why.

Answer: Entrepreneurial competencies are as follows:

- Creativity and Innovation
- Risk Taking and Risk Management
- Problem Solving
- Leadership
- Persistence
- Quality Performance
- Initiative
- Information seeking
- Systematic Planning

- Persuasion and Influencing Others
- Enterprising Launching Competencies

Persistence is one of the most important competencies because this quality enables the entrepreneur to continue with the task and also to fight against the difficulties and obstacles faced. Hard-work always leads to the success of the enterprise.

Question 14. Name the person who introduced first motivational theory and when.

Answer: Motivation theory is being considered the first theory that is being recalled is Maslow's hierarchy of needs which he has introduced in his 1943 article named as "A Theory of Human Motivation". According to this theory, individual strives to seek a higher need when lower needs are fulfilled. Once a lower-level need is satisfied, it no longer serves as a source of motivation. Needs are motivators only when they are unsatisfied.

Question 15. Why are imitative entrepreneurs are also revolutionary and important?

Answer: The imitative entrepreneurs are also revolutionary and important because they contribute to the development of underdeveloped economies. Example: The local mobile companies using the same technology as big companies to manufacture their products.

Question 16. What do trading entrepreneurs do to promote their business?

Answer: They have to identify the potential market for his product in order to stimulate the demand and they push many ideas ahead of others in the form demonstration to promote their businesses.

Question 17. What is the strength of industrial entrepreneur?

Answer: They have the ability to convert economic resources and technology into a profitable venture. For example: Enterprises like Hero Motor corp and Hyundai Corporation.

Question 18. Name the type of an entrepreneur who concentrate more on production than marketing.

Answer: The entrepreneurs who are technical by nature in the sense of having the capability of developing new and improved quality of goods and services out of their own knowledge, skill and specialisation are called a technical entrepreneur. They are essentially compared to craftsmen who concentrate more on production than marketing.

Question 19. "Professional Entrepreneurs are dynamic in nature". How?

Answer: Professional entrepreneurs make it their profession to establish business enterprises with a purpose, to sell them once they are established. He/she is always looking forward to develop alternative projects by selling the running business.

He is not interested in managing operations of the business established by him that is why they are called as dynamic entrepreneur.

Question 20. Why can't attitude be directly observed?

Answer: Attitude cannot be directly observed as it constitutes a psychological phenomenon. However, we may observe an attitude indirectly through observing its consequences. For example, if a person is highly productive, we may infer that he has a positive attitude towards his work.

Question 21. Why do prospective entrepreneurs become induced?

Answer: Sometimes prospective entrepreneurs are induced or even forced by their special circumstance, such as loss of job or inability to find a suitable job according to their talent and merit to adapt to entrepreneurship.

III. Short Answer Type Questions [4 Marks]

Question 1. What is the common value between Narayan Murthy and Steve Jobs? Explain.

Answer: Dynamic entrepreneurs are guided by the value of outstanding performance. It is the quest for outstanding performance on the part of Narayana Murthy that saw the emergence and speedy growth of Infosys.

Steve Jobs, case study always believed in outstanding performance, for example, when Apple phone was launched, he took great care to make the package eco-friendly and light weight with 3D (Three dimensional) images on it. Such was his dedication for extraordinary performance.

Challenges seem to stimulate and motivate entrepreneurs. As they have strong motivation to succeed, they value performance of a high order.

Thus the entrepreneur, due to his quest for excellence, is an “over comer” who can resolve problems under pressure. They are persistent and hardworking when things go wrong.

Question 2. Explain various features of attitude.

Answer: Features of attitude:

1. Attitude affects behaviour: People have a natural tendency to maintain consistency between attitude and behaviour. Attitudes can lead to intended behaviour if there is no external intervention.
2. It is invisible: It constitutes a psychological phenomenon which cannot be directly observed. However, we may observe an attitude indirectly through observing its consequences. For example, if a person is highly productive, we may infer that he has a positive attitude towards his/her work.
3. Attitudes are acquired: Attitudes are gradually learnt over a period of time. The process of learning attitudes starts right from childhood and continues throughout the life of a person. However, in the beginning, the family members have a greater impact on the attitude of a child.
4. Attitudes are pervasive: They are formed in the process of socialisation and may relate to anything in the world. For instance a person may have positive and negative attitudes towards religion, politics, politicians or countries.

Question 3. Give an example of unethical action performed by an employee of Satyam Computer Services.

Answer: Ramalinga Raju is a former Founder-Chairman of Satyam Computer Services which he founded in 1987 and chaired till January 7, 2009. Stepping down admitting to faking financial figures of the company to the tune of Rs 7,136 crore (approximately \$1.5Billion USD), including Rs 5,040 crore (approximately \$1 Billion USD) of non-existent cash and bank balances. Raju resigned from the Satyam board after admitting to falsifying revenues, margins and over ? 50 billion of cash balances as the company.

Question 4. “As entrepreneurs climb the ladder of success, they should not forget that for success to be long lasting they will have to follow some ethical standards in their business practices.”. Give some examples related to it.

Or

Give five examples of ethical standards to be followed by an entrepreneur in their business practices for long lasting success.

Answer: Some examples related to the ethical standards followed by an entrepreneur are as follows:

1. Providing quality and correct quantity of goods to consumers.

2. Keeping in mind the environmental issues during production.
3. Paying the minimum and correct wages to the workers.
4. Not to use child labour in their production.
5. Judicious use of natural resources.

Question 5. How has ethics become an essential element in entrepreneurship?

Answer:

- Ethics corresponds to basic needs.
- Helps in better decision.
- Ethics and profit go together.
- Law cannot protect society, ethics can.
- Value create credibility with the public and employees.

Question 6. Given below are examples of certain enterprises depending upon nature, size and type of business. Categorise them according to their type.

(a) Motor Vehicle Repair Garage

(b) Poultry farming

(c) Plastic products, jerycans, tarpaulins.

Answer: Motor Vehicle Repair Garage: Industrial Entrepreneur: Industrial entrepreneurs essentially manufacture products and offer services.

(a) Poultry Farming: Agricultural Entrepreneur:

Agricultural entrepreneurs are those who undertake agricultural as well as allied activities in the field of agriculture.

(b) Plastic product, jerycans, tarpaulins: Industrial Entrepreneur

(c) Industrial entrepreneurs essentially manufacture products and offer services.

Question 7. What are the main assumptions of Maslow's theory of needs?

Answer:

- Behaviour of all people is based on their needs. Satisfaction at each level will influence their behaviour.
- Needs are always arranged in a hierarchical order, i.e. from lowest to highest.
- A satisfied need can no longer motivate a person only next higher level need can motivate.
- Next higher level movement of the hierarchy can only be possible, if the lower level need is satisfied.

Question 8. Write down the features of innovative entrepreneurs.

Answer: Following are the main features of innovative entrepreneurs:

- They are one who quickly introduces new products, new methods of productions and new technology.
- They explore new markets and new sources of supply of raw-materials.
- They are generally aggressive in experimentation and put attractive possibilities into practice.
- They convert technical resources into economic performance and give new value to the product.
- They always apply new improvised techniques to provide better goods and services.
- They are generally found in developed countries.
- Example: Walt Disney who started huge theme parks such as the Disney Land.

Question 9. Write down the features of Fabian entrepreneurs.

Answer: Following are the main features of Fabian entrepreneurs:

- They are shy, inactive and basically lazy and do not show any enthusiasm.
- They are not interested and willing to accept risk and likely to perform only such activities where success is guaranteed.
- They are also influenced by customs, traditions, religions and past experiences.
- Most of the time they adopt old age or traditional method of production.
- They are very cautious, timid and skeptical while practicing any change.
- They do not venture or take risks.
- They are rigid and fundamental in their approach.
- Usually, they are second generation entrepreneurs in a family business enterprise. They follow the footsteps of their predecessors.
- They are generally found in underdeveloped countries.

Question 10. Write down the features of drone entrepreneurs.

Answer: Following are the main features of drone entrepreneurs:

- They are leggers as they continue to operate in their traditional way and resist change.
- These entrepreneurs are not interested in revising and to make changes in their existing production methods even if they suffer losses.
- They take least interest in finding out new resources, new methods or more time saving method and always refuse to copy or use opportunities that come their way.
- Most of the time they struggle to survive not to grow.
- They try to perform their functions in a routine manner.
- When their product loses marketability and their operations become uneconomical, they are pushed out of market.
- They do not survive for long period.
- They are conventional in their approach.

Question 11. Who are called first generation entrepreneurs?

Answer: First Generation Entrepreneurs are those, who start the business on the basis of his/her innovative skills. With innovation, new and improved ideas they develop and use an innovative business plan. They always use the modern concept of marketing and create large number of customers by fulfilling and satisfying their demands. They can also compete fiercely by standing against those businesses who follow the traditional business norms. The first generation entrepreneur is driven by his own belief and he is the master of his own fate. They do not have any family entrepreneurial background prior to start his/ her own business venture. Entrepreneur is very innovative, decision-maker, risk-taker, leadership quality, etc.

Question 12. What is corporate intrapreneurship? Give two examples.

Answer: Corporate intrapreneurship/intrapreneurship relates to the innovations of some companies or corporate ventures leading to establishment of new ventures, new subsidiaries or new divisions. It often happens that managers of some leading companies exhibit a sense of enterprise combining their resources, systems, in unusual ways to get new products, new ventures or to provide new services. Sometimes this is also called intrapreneurship.

Examples of intrapreneurship:

- A classic case of intrapreneurs is that of the founders of Adobe, John Warnock and Charles Geschke. They both were employees of Xerox. As employees of Xerox, they were frustrated because their new product ideas were not encouraged. They quit Xerox in the early 1980s to begin their own business. Currently, Adobe has an annual turnover of over

\$3 billion.

- Dr. Pavan Goenka, designed and gave a pattern of Scorpio model for M&M (Mahindra and Mahindra). He utilized his vast experience of working with General Motors (prior company) to redefine the model in a new car design and sure shot development of the company.

IV. Long Answer Type Questions [6 Marks]

Question 1. What are the features of adaptive/imitative entrepreneurs?

Answer: Following are the main features of imitative or adaptive entrepreneurs:

- They have high level tendency to adopt knowledge and technology and innovation created by innovative entrepreneurs and implement them in their own ways.
- They are adaptive and more flexible.
- They are less creative and innovative but more active and hardworking.
- They are always interested to adopt used up ideas and carry on the business activities.
- Such entrepreneurs are found in developed and developing countries and called as a contributor of underdeveloped countries.
- Usually, they are second generation entrepreneurs in a family business enterprise.

Example: The local mobile companies using the same technology as big companies to manufacture their products.

Question 2. How are drone Entrepreneurs different from Fabian Entrepreneurs?

Answer: Basis Drone Entrepreneurs Fabian Entrepreneurs Nature They are leggards as they continue to operate in their traditional way and resist change. They are shy, inactive and basically lazy and do not show any enthusiasm.

Functions They take least interest in finding out new resources, new methods. They try to perform their functions in a routine manner. They are not interested and willing to accept risk and likely to perform only such activities where success is guaranteed.

Period They seldom survive for a long period. They survive for a long period. Flexibility They are not flexible. They are flexible to some extent. Influence They are not influenced. They are influenced.

Countries They are generally found in developing countries. They are generally found in underdeveloped countries.

Generation They are fourth generation entrepreneurs in a family business enterprise. Usually, they are second generation entrepreneurs in a family business enterprise.

V. Value – Based Questions

Question 1. Abhishek is a renowned entrepreneur. Few workers in his organisation are too lazy and always try to show inability and unwillingness to take up any kind of new work given to them. As a manager, how would you motivate lazy employees?

Answer: As a manager, I will take the following steps to motivate these employees to accomplish the desired target of an organisation.

McClelland's Acquired Needs Theory—needs are to some extent acquired and can therefore be influenced, just as several simultaneous needs influence a person's behaviour.

- Start with some team building exercises.
- Without hiring an outside consulting company as they are costly and do not know your company the way you do. Get your employees involved in your decision-making process. They will feel happy and great with you and your company with full responsibility and work enthusiastically.

- As a group have your employees brainstorm ideas for workplace values and ethics. Then be sure they each have a copy of the values they come up with.
- Recognize their accomplishments and listen to their ideas. Give them awards for their accomplishments. Let them make the decision about who gets the award.
- Incentives: Offering incentives, be it in the form of cash bonuses, promotions or even physical rewards, is a great way to make them work and get your employees eager to meet their goals.
- Lead with trust: To get the best from his team members, the leader needs to have their trust. You must become that General and get your team to believe in whatever goals you set. Now, lead them into battle.
- Be Nice to People: Too many bosses think of their staff as numbers and robots instead of humans. Treat your team as you would your family and friends and you'll see how quickly they respond and put their best feet forward.
- The above given techniques will be sufficient for Abhishek to motivate lazy employees.

Question 2. Motivation can be defined as stimulating, inspiring and inducing the employees to perform

to their best capacity. Motivation is a psychological term which means it cannot be forced on employees or it comes automatically from inside the employee as it is the willingness to do the work. List the social motive behind entrepreneurial motivation.

Answer: Social motive behind entrepreneurial motivation are:

(i) Providing employment opportunities (ii) Optimal use of local resources (iii) Sustainable development (iv) Visionary towards society (v) Making society more competitive.

Question 3. "Babita and Co. started a leather factory near Kanpur. As an entrepreneur she always helps her employees and motivate them in different ways". You are a senior manager in an organisation according to you what motivational technique would Babita take to achieve an objective of an organisation. Explain using Maslow's theory of motivation.

Answer: Maslow's theory relates motivation to a hierarchy of needs. At the bottom are essential physiological needs such as air, food, shelter and clothing. As individuals satisfy one level of need, their motivations change as they aspire to reach the higher order needs. Therefore, to motivate an individual Maslow suggests that it is necessary to know where within the hierarchy each employee is placed so that these factors can be taken into account. Within enterprise every employee is motivated to work through each of these levels. For example:

1. Physiological needs

- Enterprise can offers competitive salaries. This gives people the means to acquire the basic needs for living.
- Enterprise may provide different beneficial programme allows employees to choose those benefits that suit them. Like childcare vouchers, cash alternatives to company cars and discounted life assurance schemes, mediclaim policy, etc.
- It will help workers' improve their standard of living and motivate them to be loyal to the company.

2. Entrepreneur may provide safety needs Babita, an entrepreneur, must value the safety of all employees.

- The company is committed to providing a safe and healthy work environment to prevent accidents. Each employees are accountable and responsible to take care for observing the health and safety rules and practices.
- An entrepreneur may check with range and working conditions of an employees (Part-time or full time). This helps employees to choose the best option for a

healthy work-life balance.

3. Social needs

These are associated with a feeling of belongingness.

- By providing compatible work group and friendship at work.
- Good communication and proper instruction keeps everybody focused on the company's aims helps individuals contribute to the company's K-Values.
- They include values such as being positive, seeing the best in people and recognising diversity. Babita can positively recognise and reward staff achievements.
- This helps strengthen teams and enhances workers' sense of belonging.
- Esteem or egoistic—a need both for self-esteem and the esteem of others, which involves self-confidence, achievement, competence, knowledge, autonomy, reputation, status and respect.
- Self-actualisation—Babita can provide employees with the opportunity to take on challenging job, creative task demands, advancement opportunities and stimulating responsibilities, achievement for work, etc.

The above given methods and motivational technique would help Babita to take firm decisions and to achieve an objective of an organisation and get entrepreneurial success.

Question 4. Read the following case study and answer the following questions:

A young village boy, who wanted to compete the I.A.S. examination, could not succeed because he got ^stuck at the interview level. He opened an institute for aspiring youngsters. What started as a single teacher coaching center grew into a big education institute that provides tutorials to wide range of courses. The young man who could not materialise his dream of becoming a civil servant, has become an entrepreneur in the field of education.

(a) Name the associated with the case study.

(b) Explain the value associated with.

Answer: (a) Independence or ownership (self-reliance).

(b) • Analysts of entrepreneurial processes have found that a very strong and positive ego drive is involved in the action plan of all significant entrepreneurial ventures.

- It enables them to develop a 'mission' concept which drives them to achieve their goal with a clear vision.

- They derive great satisfaction in their sense of 'independence' or 'ownership'. Commitment, sense of complete identification, sincerity and hard work to achieve their 'mission' constitute the ingredients of the 'ownership' factor.