

3. Entrepreneurship Development

Q.1 A) Select the correct option and rewrite the completed sentences:

1) The word 'entrepreneur' is derived from the word 'entreprendre'.

a) Japanese b) English **c) French**

2) 'Entreprendre' means to

a) Undertake b) Enterprise c) Businessman

3) Start Up India is an initiative of the -----

a) RBI **b) Government of India** c) World Bank

4) is the idea of bringing urban residents to rural areas, by empowering to local communities, both socially and economically.

a) Agro tourism b) Medical tourism c) Entertainment

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B) Match the pairs:

Group 'A'	Group 'B'
A. Gap filling function	1.2016
B. Entrepreneur	2. Employment
C. Agro tourism	3. Old methods of production
D. Technology	4. 2019
E. Start up India	5. Self-motivated
	6. Rural tourism
	7. Entrepreneurship
	8. Latest knowledge
	9. Necessity Based
	10. Medical tourism

Ans: A) - 7, B) - 5, C) - 6, D) - 8, E) - 1

C) Write a word or phrase or a term which can substitute each one of the following:

1) An undertaking or adventure involving uncertainty and risk and requiring innovation.

Ans: Entrepreneurship

2) A function of creating something new for an economic activity.

Ans: Innovation

3) A person who is an innovator who introduces new combinations of means of production.

Ans: **Entrepreneur**

4) The process of enhancing entrepreneurial skills and knowledge through structured training and institution building programmes.

Ans: **Entrepreneurship Development Programme**

5) The process that motivates a person into action and induces him to continue the course of action for the achievement of goals.

Ans: **Entrepreneurship**

6) An employee who has an authority and support of the organisation to implement his creative ideas.

Ans: **Entrepreneur**

D) State whether the following statements are True or False.

1) An entrepreneur should not be ready to work hard.

Ans: **False**

2) Agritourism can support agricultural economy.

Ans: **True**

3) Successful businessman takes calculated risk.

Ans: **True**

4) Entrepreneurship is a full time job which requires dedication and hard work.

Ans: **True**

5) Startup India is an initiative of the Government of France.

Ans: **False**

E) Find the Odd one out:

1) Communicator, Innovator, Self-starter, Inactive.

Ans: **Innovator**

2) Trekking, Wildlife study, Horseback riding, Indoor games.

Ans: **Indoor games**

3) Innovation, Lack of communication, Development of market, Determining the objectives.

Ans: **Lack of communication**

F) Complete the sentences:

- 1) An entrepreneur is a person who starts a **Business/Enterprise**.
- 2) 'Start- up' India initiative was launched in **2016**.

G) Select correct option.

(Innovation, Niche tourist, Agro tourism, Entrepreneurship)

	Group A	Group B
1)	The idea of bringing Urban resident	<u>Agro tourism</u>
2)	Agro- tourism is a form of	<u>Niche tourism</u>
3)	<u>Innovation</u>	To introduce new combination of products & features
4)	<u>Entrepreneurship</u>	A full time job which requires, dedication & Hard-work.

H) Answer in one sentence.

1) What is Agro tourism?

Ans: Agro tourism offers tourists a chance to reconnect with the land and provides a "hands on experience" with local foods.

2) Who is 'Entrepreneur'?

Ans: An entrepreneur is "a person who starts a business and is willing to risk loss in order to make money".

3) Who described 'Entrepreneurship' as the founding of a private enterprise?

Ans: In 1848, the famous economist John Sturt Mill described 'Entrepreneurship' as the founding of a Private enterprise.

I) Correct the underlined word & rewrite the sentence.

1. The word 'Entrepreneur' comes from the **German** verb entreprendre, it means 'to undertake'.

Ans: The word 'Entrepreneur' comes from the **French** verb entreprendre, it means 'to undertake'.

2. Entrepreneurs try to make **home** a better place where the needs of consumers can be satisfied.

Ans: Entrepreneurs try to make **Market** a better place where the needs of consumers can be satisfied.

3. The loan taken under stand-up India scheme is repayable in **ten** years.

Ans: The loan taken under stand-up India scheme is repayable in **seven** years.

Q.2. Explain the following terms/concepts:-

1) Entrepreneur

Ans: Entrepreneurs are the people who have the courage to offer and to share an idea or a product or a service with the world. They try to make market a better place where the needs of consumers can be satisfied.

2. Agro- tourism

Ans: Agritourism focuses on travel that is empowering to local communities, both socially and economically. Agritourism can support agricultural economy when local producers can no longer compete economically.

3) Start-ups

Ans: A start-up is defined as an entity having its headquarter in India, which was opened less than 10 years ago and has an annual turnover of less than Rs.100 crores. Start-up India is an initiative of the Government of India. It was launched in 2016.

4. Stand-ups

Ans: The objective of the Stand-Up India scheme is to facilitate bank loans between Rs.10 lakh and Rs.1 Crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and at least one woman borrower per bank branch for setting up a greenfield enterprise.

5) Intrapreneur

Ans: An intrapreneur is an employee who has the authority and support of his company/employer to implement his own innovative and creative ideas. His idea or product may or may not earn immediate revenue for the company. Still, the employee keeps receiving his salary.

Q.3 Study the following case/ situation and express your opinion.

Mr. Soham is young MBA degree holder, Mr. Navin is B.Com graduate. Mr. Soham is willing

to start dairy farm at his village. Mr. Navin is willing to work as cashier in Private Company.

i) Find out dream of Soham and Navin.

Ans: Dream of Soham is to become entrepreneur and dream of Navin is to take up job in a private company and get a fixed income as salary

ii) State anyone feature of Entrepreneur.

Ans: Entrepreneur is a person who is willing to take risk in order to earn money and start a business.

iii) To become successful entrepreneur, which qualities Mr. Soham should have?

Ans: To become a successful entrepreneur Mr. Soham should have qualities like innovator, creator, reactive and risk bearer.

Q.4 Answer in brief.

1) Define entrepreneur. Explain functions of entrepreneur.

Ans: Refer Q.7 (2)

2) Define entrepreneur. Explain qualities of successful entrepreneur.

Ans: Definition: Webster dictionary gives a definition, "An entrepreneur is a person who starts a business and is willing to risk loss in order to make money."
Successful business people have many Qualities in common with one another.

1. Disciplined :

These individuals are focused on making their businesses work, and eliminate any hindrances or distractions to their goals. An entrepreneur has comprehensive strategies and outline the tactics to accomplish them. Successful entrepreneur is disciplined enough to take steps every day towards the achievement of his objectives.

2) Confidence :

The entrepreneur does not ask questions about whether he can succeed or whether he is worthy of success. He is confident with the knowledge that he will make his businesses succeed. He shows that confidence in everything he does.

3) Open Minded :

Entrepreneur realizes that every event and situation is a 'business opportunity.

Ideas are constantly being generated about workflows and efficiency, people skills and potential new businesses. He has the ability to look at everything around him and focuses it towards his goals.

4) Self Starter :

Entrepreneur knows that if something needs to be done he should start it himself. He sets the parameters and makes sure that projects follow that path. He is proactive, not waiting for someone to give him permission.

5) Competitive :

Many companies are formed because an entrepreneur knows that he can do a job better than others. He needs to win the game of business. An entrepreneur will highlight his own company's track record of success.

6) Creativity :

One aspect of creativity is being able to make connections between seemingly unrelated events or situations. Entrepreneur often comes up with solutions which are the synthesis of other items. He will repurpose products to market them to new industries.

7) Determination :

Entrepreneur is not thwarted by his defeats. He looks at defeat as an opportunity for success.

He is determined to make all of their endeavors succeed, so will try and try again until it does.

Successful entrepreneur does not believe that something cannot be done.

8) Strong communication skills :

The entrepreneur has strong communication skills to sell the product and to motivate employees.

Most successful entrepreneur knows how to motivate his employees so the business grows overall. He is very good at highlighting the benefits of any situation and coaching others to their success.

9) Strong work ethic :

The successful entrepreneur will often be the first person to arrive at the office and the last one to leave. He will come on his days off to make sure that an outcome meets his expectations.

His mind is constantly on his work, whether he is in or out of the workplace.

10) Passion :

Passion is the most important trait of the successful entrepreneur. He genuinely

loves his work.

He is willing to put in those extra hours to make the business succeed because there is a joy his business gives which goes beyond the money. The successful entrepreneur will always be reading and researching ways to make the business better.

Q.5 Justify the following statements.

1) Entrepreneurship is the best source for self-employment.

Ans: (1) Intellectual capabilities : An entrepreneur is a creative thinker. He always thinks more creatively and better than others. He always give innovative ideas which is the sign of his intellectual capabilities. He has ability to analyse any situation and take proper decision.

(2) Future vision : The entrepreneurs have the ability of foreseeing the future market conditions. He can take appropriate decision by considering recent market situation and changes in market conditions. He must have knowledge of external business environment. This enables them to take timely actions.

3) Technical knowledge : The entrepreneur should have advanced technical knowledge about the products and service, plans of production, etc. Entrepreneur should also update his technical knowledge from time to time to understand latest changes take place in technology.

(4) Risk-bearing capacity : This is one of the main characteristics of an entrepreneur. He should be calculative in taking risk. He should be prepared to face challenges and look for opportunities in every adverse situation of business. Thus Entrepreneurship is the best source of self-employment.

2) Successful businessman takes calculated risk.

Ans: Successful business man should be calculative in taking risk. He should be prepared to face challenges and look for opportunities in every adverse situation of business. He should be self confident to achieve his organisational goals. He should always keep himself confident and motivated to face various obstacles and come out victorious every time in every challenges he faces.

A business man has to undertake many risks including fall in prices, changes in fashion, earthquake, etc. All these risks cannot be insured with insurance companies. A risk which cannot be insured against and measured is called uncertainty. business man buys factors of production at certain prices to combine their contributions into the products and then sell those products at uncertain prices in future. Thus, a Successful businessman takes calculated risk.

3) Entrepreneur must be a good communicator.

Ans: An entrepreneur needs to communicate effectively with different people like customers, suppliers, creditors, employees, etc. from time to time. He should have good communication skill and command over language he speaks, to be able to express his ideas and strategies effectively. Good communication skills mean proper understanding between sender and the receiver of the message.

4) An entrepreneur must be an innovator.

Ans: Innovation is a dynamic change brought by entrepreneur by bringing new combinations of factors of production. Innovation by entrepreneur is must for development of an organisation. Entrepreneur can be an innovator in many ways. They are :

(1) Introduction of a new product : Entrepreneur through his dynamic skill and intelligence create new products by fulfilling innovation to commercialisation by embedding it in an environment where it did not exist previously.

(2) Introduction of a new method of production : By introducing new and latest technology an entrepreneur brings new life and energy in methods of production. Introduction of new technology, new machinery, scientific methods of production will save money and time of the organisation.

(3) Opening of a new market : An innovative entrepreneur creates and open new avenues, new idea with new products. It opens a new market which are not existing previously.

(4) Carrying out new forms of organisation for industry: An innovative entrepreneur is the one who discovers new methods and new materials. He utilises invention and discoveries in order to make new combinations.

Thus, entrepreneur must be an innovator.

5) With creativity, farmers can expand their Agro-tourism Business.

Ans: With creativity, farmers can expand their Agro tourism business through recreation, fun, entertaining activities. The valuable activities which farmers can do creatively are :

(1) Outdoor recreation : Farmer can add value and can expand their agro tourism business by outdoor recreation like trekking, fishing, hunting, wild life study, horse back riding, etc. All such activities are the point of attraction for a tourist and this

can be enjoyed with family and friends too.

(2) Educational experiences : Farmers can also be more creative in farming tours, rice plantation, cooking classes on chulha. All such activities help customer to get hands on experience which they enjoy with adding educational values.

(3) Entertainment : Entertainment through harvest festivals like 'Hurda Party in Maharashtra, local dances, folk songs are recreation also main attraction for a customer for agro tourism. Entertaining activities such as contest, adult and children classes, games, etc. can be arranged. This innovative touch helps farmer to expand his business.

(4) Hospitality services : Hospitality services like farm stays, guided forms makes customer more happy. Farmer can add value to guest experience by offering them refreshment, fresh fruits, juice, fresh food, etc. Happy customer will definitely return and also spread good word of mouth to their family and friends. Thus, with creativity, farmers can expand their agro tourism business.

Q.6 Attempt the following

1) Explain the characteristics of Entrepreneurship Development.

Ans:Meaning:

Entrepreneurship is a purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain and aggrandize profit by production and distribution of economic goods and services.

Characteristics of Entrepreneurship

Entrepreneurship is a process of setting up a new business organization. It is the process where one decides to build a business career by finding the market options and mobilizing the available resources. The following are the characteristics of entrepreneurship.

1) Innovation- Entrepreneurship is an innovation. The introduction of new combination of various factors of productions is innovation. A new product arrives in the market, uses new production technology, discovers new source of supply of raw materials and opens a new market for the specific product. In view of changing taste of consumers from time to time, entrepreneurship focuses on the research and development to produce goods to satisfy the customers.

2) Economic activity- An entrepreneur produces a new product for the customers as per their needs. He feels the need of this to satisfy human wants and as well in exchange earn a better livelihood. It is a systematically planned activity as per the skills and knowledge of entrepreneur. Hence entrepreneurship is an economic activity.

3) Organization Building- It is an activity where various factors of production have to be organized. Place utility, time utility, form utility etc. has to be considered to collect them under one roof for new production.

4) Creative activity- Innovation should have a strong support of creativity. Introducing creativity in producing something new is a big challenge for the entrepreneur. Thus creativity is an essential part of entrepreneurship.

5) Managerial skill and leadership- A person who wants to be a successful entrepreneur should have more passion of doing something new than just earning profit. Leadership and managerial skills are the most important facets of entrepreneurship. Other skills can be considered secondary. An entrepreneur must have the ability to lead and manage.

6) Skillful management- The success of any entrepreneurship depends on the management of the organization. With professional management and skilled managers, entrepreneurship becomes successful activity.

7) Risk Bearing- Uncertainty is defined as a risk which cannot be insured against and is incalculable. Entrepreneur is an agent who buys factors of production at certain prices, in order to combine them into a product, to sell them at uncertain prices in future. Thus they too are risk-bearing agents in production.

8) Gap filling function- The most significant feature of entrepreneurship is gap filling. It is the entrepreneur's job to fill the gap or make up the deficiencies which always exist in the knowledge about the production function.

2) What is Entrepreneurship Development Program ?

Ans: ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES (EDP)

An entrepreneurship development programme has been defined as 'a programme designed to help a person in strengthening his entrepreneurial motive and in acquiring skills and capabilities necessary for playing his entrepreneurial role efficiently'.

EDP is a device through which people with latent entrepreneurial traits are identified, motivated to take up new industrial venture, trained in managing the unit and guided in all aspects of starting a venture/an enterprise.

EDP was first introduced in Gujarat in 1970 and was sponsored by the Gujarat Industrial

Investment Corporation. The EDP's are based on McClelland's experiments in Kakinada District of

Andhra Pradesh where businessmen were provided with motivation and training.

The EDP includes following steps:

- 1) Arrangement of Infrastructure.
- 2) Selection of potential entrepreneur.
- 3) Identification of enterprise. .
- 4) Actual training program
- 5) Selection of training personnel.
- 6) Selection of method of training.
- 7) Actual training.
- 8) Monitoring and follow-up.

Objectives of EDP:

The following objectives of EDP are identified.

- 1) To foster entrepreneurial growth in the country.
- 2) Optimum use of available resources.
- 3) Development of backward regions and improving economic status of socially disadvantaged groups.
- 4) Generation of employment opportunities.
- 5) Widening base for small and medium scale industries.

Q.7 Answer the following

- 1) Define entrepreneur. Explain characteristics of entrepreneur.

Ans: Definition:

Webster dictionary gives a definition, "An entrepreneur is a person who starts a business and is willing to risk loss in order to make money."

Characteristics of entrepreneur.

Entrepreneurs have some special characteristics like creative thinking, imagination, enthusiasm, sincerity etc. The characteristics of an entrepreneur may be briefly stated as follows:

1) Intellectual Capabilities:

An entrepreneur is a creative thinker. He has reasonably good intelligence. He has ability to analyze business situations. This ability will help him to take proper decisions.

2) Future Vision:

The entrepreneur has a good foresight about future market situation. He should also have knowledge about external business environment. This will help him to take proper decisions according to the situations and changes in the market. So, he can take timely actions for the same.

3) Hard Work:

An entrepreneur is ready to work hard. It is more necessary when a new venture is started.

He has to work for long hours. Many a times he has to handle the main areas of business independently. This will make him successful.

4) Technical Knowledge:

An entrepreneur has good technical knowledge about his business. The entrepreneur has the ability to update himself with the latest knowledge about the product, process and technology.

5) Communication Skills:

An entrepreneur needs to communicate with different people like customers, suppliers, creditors, employees, etc. He must be able to express his ideas and strategies effectively. It is necessary that there is a proper understanding between the sender and the receiver of the message.

6) Highly Optimistic:

An entrepreneur has to always think positively. He is always hopeful and confident about the market situations even in failure times. Such positive attitude helps him to run his business successfully.

7) Risk bearing capacity:

Successful entrepreneur takes calculated risks. He is ready to face challenges and

always seeks new and more opportunities.

8) Self Confidence:

An entrepreneur has self-confidence. He has positive desires to achieve his goals. Such self-motivation keeps him strong and confident to face various obstacles.

2) Define entrepreneur. Explain its functions.

Ans: Definition: Webster dictionary gives a definition, "An entrepreneur is a person who starts a business and is willing to risk loss in order to make money."

Functions fo entrepreneur.

1) Innovation:

An entrepreneur is basically an innovator. He introduces new combinations of means of production. He must introduce new products or brings changes in the existing products.

Customers are satisfied with new products or new features in the existing products. Innovation is also necessary to solve problems that arise in the business.

2) Determination of Objectives:

An entrepreneur has to determine the aims and objectives of the business. There may be difference between primary and secondary objectives of the enterprise. He can change these objectives as per the market situations.

3) Development of Market:

The entrepreneur has to find out different ways for marketing the products and services of his enterprise. He can conduct surveys or research to understand the customer's demand. When the markets are developed constantly, the demands of the consumers will increase.

4) New Technology:

In global world, everyday there is an invention of new technology. Introduction of new technology will always result in growth of business e.g. new machinery, advanced technology, new and scientific methods of production, etc.

5) Good Relations:

It is necessary to maintain healthy working atmosphere in an organization. It depends upon the efficient relations between subordinates and superiors. Co-ordination among the employees is the key of success.

6) Organizing Funds:

Entrepreneur needs to find out different financial resources because adequate and

continuous finance is always necessary for business. Good and honest relations with the investors is necessary for every business.

7) Taking Decisions:

An entrepreneur has to take wise decisions for his enterprise. Timely and correct decisions are also important and necessary for a proper business plan. He should always consider the pros and cons before taking any business decision.