

CBCS Scheme

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16MBA26

Second Semester MBA Degree Examination, Dec.2017/Jan.2018 Entrepreneurship Development

Time: 3 hrs.

Max. Marks:80

**Note: 1. Answer any FOUR full questions from Q1 to Q7.
2. Question No. 8 is compulsory.**

- 1** a. Define entrepreneur. (02 Marks)
b. List the different types of entrepreneur. (06 Marks)
c. Explain the stages in entrepreneurial process. (08 Marks)
- 2** a. What is business plan? (02 Marks)
b. Give the significance of project report. (06 Marks)
c. What is organizational plan? Explain the steps involved in preparing organisational plans. (08 Marks)
- 3** a. Expand KVIC. (02 Marks)
b. State the importance of financial institutions. (06 Marks)
c. What is SIDBI? State the functions of SIBBI. (08 Marks)
- 4** a. Define family business. (02 Marks)
b. What is the importance of family business? (06 Marks)
c. Discuss the strategies for improving the capability of a family business. (08 Marks)
- 5** a. What is international entrepreneurship? (02 Marks)
b. What do you mean by direct and indirect exporting? (06 Marks)
c. Describe the stages of economic development. Differentiate between international and domestic entrepreneurship. (08 Marks)
- 6** a. Define venture capital. (02 Marks)
b. Explain the nature of venture funding. (06 Marks)
c. Discuss the venture capital process in detail. (08 Marks)
- 7** a. What is social enterprise? (02 Marks)
b. Explain the types of social enterprise. (06 Marks)
c. Discuss the opportunities and challenges of rural entrepreneurship. (08 Marks)

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8 CASE STUDY [Compulsory]

After graduation from an excellent university with a degree in entrepreneurship, a Brain wright was eager to launch a business. Brain always enjoyed working with new technologies as well as watching movies, playing video games, and listening to music. So, with the proliferation of online movie and video game rental services, he believed that a service providing the online rental of CDs made perfect sense.

Brain was confident that the success of the other online rental services proved that there was a market for the online rental of entertainment media, therefore, renting CDs online would be an easy concept for customers to grasp. Although MP3s and MP3 players were growing in popularity, brain knew that he and his friends preferred to listen to an album in its entirety; after all, Brain believed that "any true fan of an artist would want the entire album". When calculate potential revenue, Brain concluded that the average retail price of a CD was approximately \$14. If he charged \$2 per CD per rental, which could be an 85 percent savings to the customer based on the full retail price of a CD, he would recoup his costs within seven rentals. In addition, brain believed that he could negotiate contracts with the music labels to purchase CDs in bulk at a discount, which would in turn reduce the time it would take for him to reach break even. He knew enough about music encryption technologies to know that restrictions could be built into the CDs to deter people from copying songs from them. He decided that taking such precautions would alleviate any concerns that the music labels might have regarding piracy.

As brain began discussing his idea with his friends, their enthusiasm convened him that he needed to act quickly before someone else seized the opportunity. At \$2 per rental and an estimated two rentals per customer per month, he would only need a little over 20,000 customers to reach \$1,00,000 in annual revenue. Looking at his financial forecasts, brain decided that it was time to bring his online CD rental service to market.

Questions :

- a. Has brain completed the proper marketing research for this potential opportunity? Why or why not? Explain. (04 Marks)
- b. Based on the case, are there key mistakes that you would caution brain about? Explain. (04 Marks)
- c. What specific steps would you recommend to brain in order for him to better assess this opportunity? (04 Marks)
- d. Whether brain decision is right or wrong? Explain. (04 Marks)

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