Construction Management and Entrepreneurship (CME)

III rd IAT – Q & Solution May 21st 2018

- **Describe Safety measure to be adopted while doing (a) hot bituminous works (b) open excavation of earth and rock**

Safety measures for Hot Bituminous Works

The following safety measures should be adopted while dealing with hot bituminous works.

i. An experienced foreman or supervisor should be made incharge of the work to take guard against the use defective/unsafe appliances, equipments and tools. He should keep stock of fore extinguishing devices and first aid kits.
ii. Workers must be provided boots, gloves, goggles, helmets and other protective accessories.
iii. Sufficient stock of clean dry sand or loose earth should be kept ready at the worksite to cope with any resultant fire. When such materials are not available, arrangement must be made for adequate supply of water to extinguish fire.
iv. Working platform should be provided while laying the hot bitumen.
v. When bitumen plants are working on a public road, an adequate traffic control system must be established. For further detailed precautions, reference may be made to IS: 5916-1970.

Safety during Excavations

(A) An Open Excavation - Earth and Rock

Following are the main accident prevention measures which should invariably be adopted and effectively carried out:

1. The sides of every excavation, where there is a danger of fall or dislodgement of earth, rock or the material forming the side or adjacent to any excavation shall be securely supported by adequately braced timber of suitable quality or other material unless the sides of the excavation are sloping to a safe angle.
2. In every excavation work along sloping ground, sides and slopes and excavation shall be maintained in a safe condition bye sealing benching or barricading.
3. On steep slopes, workers shall not be permitted to work one above the other.
4. No excavation of earthwork below the level of any foundation of a building or structure shall be commenced or continued unless adequate steps are taken to prevent danger to any person from collapse of the structure or fall of any part thereof.
5. Additional precautions be taken to prevent slides, slip or cave ins when excavation are made in locations subject to vibrations from raid - road or highway traffic etc.
6. In all trenches 1.5 m or more in depth, ladders should be provided.
7. Excavation areas should be adequately lighted for right work.
8. During hours of darkness all public sidewalks should be adequately illuminated and warning lights about the excavation should be provided.
9. A flagman should be posted to warn the public or approaching trucks and to direct the trucks in and out of the site of excavation.
10. Every accessible part of an excavation pit or opening in ground into which a person is liable to fall, a suitable barrier should be provided.
11. The side slopes and their stability should be carefully examined after every blasting operation.

Measures should be taken to prevent workers and spectators from approaching the dangerous area

- **Write Short Note on (a) Total Quality Management (b) Tool Box Meeting**

Total Quality Management

According to Oakland (1995), TQM is a way of planning, organizing and understanding each activity that depends on each individual at each level. Ideas of continuous learning allied to concepts such as empowerment and partnership, which are facets of TQM, also imply that a change in behaviour and culture is required if construction firms are to become learning organizations.

This is a complete management philosophy that permeates every aspect of a company and places quality as a strategic issue. Total quality management is accomplished through an integrated effort among all levels in a company to increase customer satisfaction by continuously improving current performance. TQM is a management-led approach applicable in all the operations of a company and the responsibility of ensuring quality is collective. The philosophy of TQM is one of prevention rather than defect detection. According to Pheng and Teo (2004), TQM is a way of thinking about goals, organizations, processes and people to ensure that the right things are done right the first time. It is an approach to improving the competitiveness and effectiveness, and flexibility of the whole organization. The Essential Elements of TQM are:

Management commitment and leadership

i. Training
ii. Teamwork
iii. Statistical Methods
iv. Cost of Quality
v. Supplier Involvement

It is believed that adoption of TQM by construction companies will result in higher customer satisfaction, better quality products and higher market share. However, adoption of TQM requires a complete turnaround in the corporate culture and management approach, as compared to the traditional way of top management giving orders and employees merely obeying those.

Construction, being different from manufacturing and other industries, has many unique problems that cause hindrances in adoption of TQM. Some of the major problems identified are:

1. Lack of teamwork
2. Poor communication
3. Inadequate planning and scheduling

The causes identified for the above problems are:

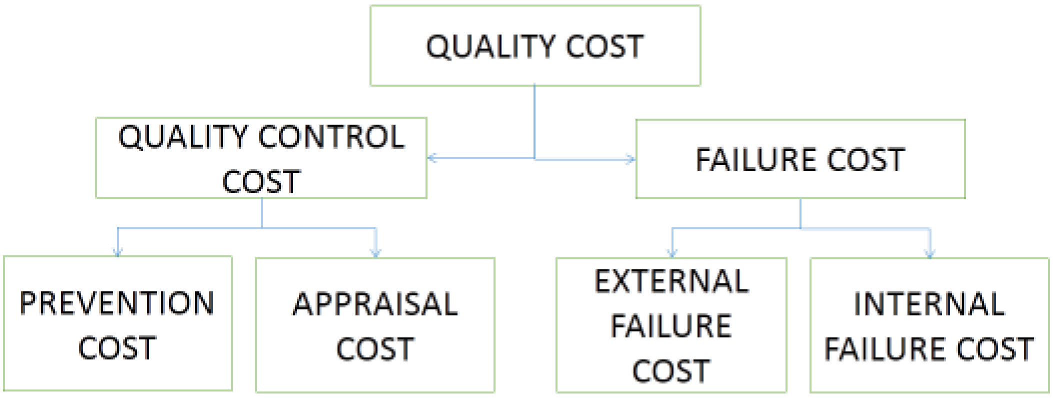
1. No team-building exercises at the inception of projects
2. Lack of understanding of team members’ expectations
3. Little or no team-oriented planning and scheduling

TOOL BOX Meeting : Considered to be one of the most effective ways to eliminate accidents , tool box talks (TBT) Are a short meeting of the individual work groups assigned for a particular tasks before its physical commencement. The meeting is held each morning very near to the workplace and is attended by the staff of general contractor and sub contractor (if the work is sub let by general contractor) , supervisor , foreman and workers. Some of the issues discussed at TBT are the work plan and procedure for the day , identifications of possible hazards , the PPE , the safety tools and equipment's to be used and the visual checks on the health of each workers

- **Write Short Note on (a) Cost of Quality (b) Quality Control**

Cost of Quality

Construction projects are capital-intensive and cost of quality acquires a great significance. According to Juran, the cost of quality can be considered in terms of economics of the conformance quality.



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1. **The prevention costs refer to the cost of quality control activities undertaken before and during production. In other words, prevention cost is the cost of efforts undertaken to prevent failures.**
2. **The appraisal cost is given by the costs incurred for quality control or quality assurance after production—for example, the costs of inspection, testing and examination to assess that the specified quality is being maintained**
3. **The internal failure cost is the cost resulting from a product or a service failing to meet the quality requirements—for example, warranties and return, liability costs, product recall cost, and direct cost or allowances.**
4. **The external assurance costs include:**
    1. **Costs relating to the demonstration and proof/objective evidence to customers**
    2. **Cost of testing by recognized, independent testing bodies for quality assurance provisions, demonstration and assessments**
    3. **Cost of independent assessment/third-party agency performing a detailed and in-depth study of company's QA activities**

Oakland (1995) defines 'quality control' as essentially :

1. **the activities and techniques employed to achieve and maintain the quality of a product, process, or service.**
2. **It involves a monitoring activity, but also concerns finding and eliminating causes of quality problems so that the requirements of the customer are continuously met.**

3. **According to ISO, quality control is defined as a " set of activities or techniques whose purpose is to ensure that all quality requirements are being met "**
4. **In order to achieve this purpose : processes are monitored and performance problems are solved.**
5. **Thus, quality control describes those actions that provide the means to control and measure the characteristics of an item, process, or facility against the established requirements.**
6. **Quality control is basically the responsibility of the production personnel.**
7. **A typical quality control programme would consist of :**
    - **defining quality standard,**
    - **defining procedures for the measurement of attainment of that standard,**
    - **execution of the procedures to determine probable attainment or non-attainment of the standard, and**
    - **the power to enforce and maintain the defined standard as measured according to the defined procedure.**

Three major quality control methods commonly used on construction projects are:

- **Inspection**
- **Testing**
- **Sampling**

1. **Techniques used vary from subjective evaluation to objective assessment of quality attained.**
2. **The type adopted depends on the characteristics of construction activities or systems being examined and the degree of certainty desired.**
3. **While all the methods may be feasible, not all of them are applicable on a particular activity.**
4. **It is necessary that the methods to be used are as defined in the contract documents, to eliminate any confusion. Because of the nature of construction work, absolute compliance with specifications is impractical. The objective of quality assurance examination is to determine the degree of compliance with contract quality standards.**

A realistic approach is to first establish a *minimum quality standard* that will be the basics of acceptance or rejection. Appropriate quality control methods can thereafter be used to judge if variations are within the acceptable tolerances. Best results are obtained if quality control is consistent and the techniques used are appropriate

- **Which are Domains of Ethics ? List out 7 ethical principals as applicable to construction ? Explain Honesty and Integrity**

Domains of ethics

- **Professional ethics is a set of standards adopted by professionals in their roles as acting professionals . Personal ethics is the one's own ethical commitments when dealing with everyone else. Personal ethics is strongly influenced by early home or religious training and often modified by later personal reflections**

- **Business ethics refer to moral practices concerned with running a business. In other words, business ethics attempts to apply general moral principles to business activities in order to resolve or clarify, the moral issues which typically arise in business.**
- **Engineering ethics is a study of decisions policies, the values that are normally desirable in engineering practice and research. In other words engineering ethics consists of the responsibilities and right that ought to be endorsed by those engaged in engineering , also of desirable ideals and personal commitments of all engineers. Engineering ethics is nothing but widely accepted code and stands of conduct by engineering organization**

The Statement of Ethical Principles : In 2003, the Society for Construction Law considered the question of ethics in the construction industry. They published a report which highlighted that organisations should comply with the following ethical principles:

- **Ethical conduct is the compliance with the following ethical principles:**
  - **Honesty - act with honesty and avoid conduct likely to result, directly or indirectly, in the deception of others.**
  - **Fairness - do not seek to obtain a benefit which arises directly or indirectly from the unfair treatment of other people.**
  - **Fair reward - avoid acts which are likely to result in another party being deprived of a fair reward for their work.**
  - **Reliability - maintain up to date skills and provide services only within your area of competence.**
  - **Integrity - have regard for the interests of the public, particularly people who will make use of or obtain an interest in the project in the future.**
  - **Objectivity - identify any potential conflicts of interest and disclose the conflict to any person who would be adversely affected by it.**
  - **Accountability - provide information and warning of matters within your knowledge which are of potential detriment to others who may be adversely affected by them. Warning must be given in sufficient time to allow the taking of effective action to avoid detriment.**
- ***Honesty***
  - **It comes as no surprise to see honesty at the top of the statement of ethical principles. As the international studies demonstrated, the industry has a very poor record and reputation in this regard. Examples of dishonest behaviour are given as bribery, claims fraud, collusive tendering, kickbacks and the preparation of forged documents to support claims. The problems of the almost endless possibilities for dishonest behaviour are exacerbated by the high possibility of getting away with it.**
  - **The guidance suggested by the code is for the appropriate behaviour on discovering corrupt practices would be for the recipient to report the matter to the appropriate criminal investigating bodies and professional and trade associations. Clearly, taking such a step would be unpalatable for those not wishing to jeopardise their positions within organisations where a culture of non-observance of ethical considerations exists.**
- ***Integrity***
  - **This principle embodies a sentiment expressed earlier in the paper in recognising the overall objective of construction being the production of safe, reliable, useable and affordable construction. This is only achievable if the professionals concerned can look beyond their own or their client's narrow agenda.**

Character / Integrity. Establish yourself in the core values that never change over time: honesty, loyalty, respect, faith, compassion, and education. Strong moral fiber inspires trust and confidence.

- **Define entrepreneur ? Explain the functions of an entrepreneur ?**

Meaning of Entrepreneur

"An Entrepreneur is one who innovates, raises money, assembles inputs, chooses managers and sets the organization going with his ability to identify them"

Evolution of the Concept Entrepreneur

The term Entrepreneur is derived from the French word 'Entreprendre' which means 'to undertake'
Some stages of the evolution of the concept 'Entrepreneur' are as follows:

i. Middle Ages: Actor or Person in charge of large scale production projects
ii. 16^{th} Century: People who organized and led military expeditions in France
iii. 17^{th} Century: Person bearing the risk of either profit or loss in a fixed- price contract with the government
iv. 18^{th} Century: An Entrepreneur as a person is risk-taking and different from the person who supplies capital.
v. 19^{th} Century: An Entrepreneur is distinct from both a financier as well as a manager. A financier receives interest for funds supplied while a manager receives salary for responsibilities discharged.
vi. 20^{th} Century: An Entrepreneur came to be known as an innovator and risk-taker during the middle of 20^{th} century.

Concept of Entrepreneurship

"Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain and realize profit by producing or distributing economic goods and services"
Entrepreneurship is a behaviour that includes:

i. Initiative Taking
ii. Organizing of social and economic forces to convert resources and situations to practical good
iii. The acceptance of risk or failure.

Functions of Entrepreneur

1. Entrepreneur as an Innovator
2. Entrepreneur as a Risk-Taker
3. Entrepreneur as an Organizer

Entrepreneur as an Innovator

i. Introduction of a new product in the market.
ii. Introduction of a new method of production which is not yet tested in the branch of manufacture concerned.
iii. Opening of a new market into which the product has not previously entered.
iv. The discovery of a new source of supply of raw material.
v. Carrying out a new form of organisation.

Entrepreneur as a Risk-Taker

i. An Entrepreneur assumes all possible risks of business.
ii. An Entrepreneur buys all what is necessary to make finished goods, but is uncertain about their selling prices.
iii. An Entrepreneur has to bear uncertainty which can neither be insured against nor be calculated.
iv. An Entrepreneur tries to reduce risk by combining experience, foresight and professional help.
v. An Entrepreneur tries to reduce uncertainties by his initiative, skill and good judgement.

Entrepreneur as an Organizer

i. An Entrepreneur has to raise sufficient capital for the smooth running of the organisation.
ii. He has to plan, delegate and execute all facets of business. He must have moral qualities, perseverance and thorough knowledge of the business world.

He must manage and distribute his profits wisely.

- **What are various Ways of entry into international business**

Entry into International Business

1. There are various ways an entrepreneur can market products internationally.
2. The method of entry into a market and the mode of operating overseas are dependent on the goals of the entrepreneur and the company's strengths and weaknesses.
3. The modes of entering or engaging in international business can be divided into three categories: exporting, nonequity arrangements and direct foreign investment.

Exporting

Selling goods made in one country to another country

- Usually, an entrepreneur starts doing international business through exporting.
- Exporting normally involves the sale and shipping of products manufactured in one country to a customer located in another country.
- There are two general classifications of exporting: Direct and Indirect.

Direct Exporting

Selling goods to another country by taking care of the transaction

- If the entrepreneur wants more involvement without any financial commitment, *direct exporting* through independent distributors or the company's own overseas sales office is a way to get involved in international business.
- Independent foreign distributors usually handle products for firms seeking relatively rapid entry into a large number of foreign markets.
- This independent distributor directly contacts foreign customers and potential customers and takes care of all the technicalities of arranging for export documentation, financing, and delivery for an established rate of commission.

Indirect Exporting

Selling goods to another country through a person in the entrepreneur's own country

- Indirect Exporting involves having a foreign purchaser in the local market or using an export management firm.
- For certain commodities and manufactured goods, foreign buyers actively seek out sources of supply and have purchasing offices in markets throughout the World.
- An entrepreneur wanting to sell into one of these overseas markets can deal with one of these buyers.
- In this case, the entire transaction is handled as though it were a domestic transaction, even though it were a domestic transaction, even though the goods will be shipped out of the country.
- This method of exporting involves the least amount of knowledge and risk for the entrepreneur.

Nonequity Arrangements

Doing international business through an arrangement that does not involve any investment

- When market and financial conditions warrant the change, an entrepreneur can enter into international business by one of three types of nonequity arrangements: licensing, turn-key projects and management contracts.
- Each of these allows the entrepreneur to enter a market and obtain sales and profits without direct equity investment in the foreign market.

Licensing

Allowing someone else to use something of the company's

Licensing involves an entrepreneur who is a manufacturer (licensee) giving a foreign manufacturer (licensor) the right to use a patent, trademark, technology, production process, or product in return for the payment of a royalty. The licensing arrangement is most appropriate when the entrepreneur has no intention of entering a particular market through exporting or direct investment.

Turn-Key Projects

Developing and operationalizing something in a foreign country

Another method by which the entrepreneur can do international business without much risk is through turn-key projects.

The underdeveloped or lesser-developed countries of the world have recognized their need for manufacturing technology and infrastructure and yet do not want to turn over substantial portions of their economy to foreign ownership.

One solution to this dilemma has been to have a foreign entrepreneur build a factory or other facility, train the workers, till the management, and then turn it over to local owners once the operation is going, hence the name turn-key operation.

Management Contracts

A method of doing a specific international task

A final nonequity method the entrepreneur can use in international business is the management contract.

Several entrepreneurs have successfully entered international business by contracting their management techniques and skills.

The management contract allows the purchasing country to gain foreign pertise without giving ownership of its resources to a foreigner.

For the entrepreneur, the management contract is another way of entering a foreign market without a large equity investment.

Direct Foreign Investment

The wholly owned foreign subsidiary has been a preferred mode of ownership for entrepreneurs using direct foreign investment for doing business in international markets. Joint ventures and minority and majority equity positions are also methods for making direct foreign investments. The percentage of ownership obtained in the foreign venture by the entrepreneur is related to the amount of money invested, the nature of the industry and the rules of the host government.

Minority Interests

Having less than 50 percent ownership position

Japanese companies have been frequent users of the minority equity position in direct foreign investment. A minority interest can provide a firm with a source of raw materials or a relatively captive market for its products. Entrepreneurs have used minority positions to gain a foothold or acquire experience in a market before making a major commitment. When the minority shareholder has something of strong value, the ability to influence the decision-making process is often far in excess amount of ownership.

Joint Ventures

Two companies forming a third company

Another direct foreign investment method used by entrepreneurs to enter foreign markets is the joint venture. Although a joint venture can take on many forms, in its most traditional form, two firms (for example. one U.S. firm and one German firm) get together and form a third company in which they share the equity.

Joint ventures have been used by entrepreneurs most often in two situations: (1) when the entrepreneur wants to purchase local knowledge as well as an already established marketing or manufacturing facility (2) when rapid entry into a market is needed. Sometimes joint ventures arc dissolved and the entrepreneur takes 100 percent ownership.

Synergy

Two parties having things in common

Synergy between firms is another reason that an entrepreneur may form a joint venture. Synergy is the qualitative impact on the acquiring firm brought about by complementary factors inherent in the firm being acquired. Synergy in the form of people, customers, inventory, plant or equipment provides leverage for the joint venture. The degree of the synergy determines how beneficial the joint venture will be for the companies involved.

Majority Interest

Having more than 50 percent ownership position

Another equity method for the entrepreneur to enter international markets is to purchase a majority interest in a foreign business. In a technical sense, anything over 50 percent of the equity in a firm is majority interest. The majority interest allows the entrepreneur to obtain managerial control while maintaining the acquired firm’s local identity. When entering a volatile international market, some entrepreneurs take a smaller position, which they increase up to 100 percent as sales and profits occur.

Mergers

An entrepreneur can obtain 100 percent ownership to ensure complete control. Many U.S. entrepreneurs desire complete ownership and control in cases of foreign investments. If the entrepreneur has the capital, technology and marketing skills required for successful entry into a market, there may be no reason to share ownership.

There are five basic types of mergers: horizontal, vertical, product extension, market extension and diversified activity.

Horizontal Merger

Combination of atleast two firms doing similar businesses at the same market level

A horizontal merger is the combination of two firms that produce one or more of the same or closely related products in the same geographic area. They are motivated by the economies of scale in marketing, production or sales, an example of which is the acquisition of convenience food store chain Southland Stores by 7-Eleven Convenience Stores.

Vertical Merger

Combination of atleast two firms at different market levels

A vertical merger is the combination of two or more firms in successive stages of production that often involve a buyer-seller relationship. This form of merger stabilizes supply and production and offers more control of these critical areas. Examples are McDonald's acquiring its store franchises and Phillip Petroleum acquiring its gas station franchises. In each case, these outlets became company-owned stores.

Product Extension Merger

Combination of two firms with noncompeting products.

A product extension merger occurs when acquiring and acquired companies have related production and/or distribution activities but do not have products that compete directly with each other.

Market Extension Merger

Combination of atleast two firms with similar products in different geographic markets

A market extension merger is a combination of two firms producing the same products but selling them in different geographic markets. The motivation is that the acquiring firm can economically combine its management skills, production and marketing with that of the acquired firm.

Diversified Activity Merger

Combination of atleast two totally unrelated firms.

The final type of merger is a diversified activity merger. This is a conglomerate merger involving the consolidation of two essentially unrelated firm. Usually, the acquiring firm is not interested in either using its cash resources to expand shareholder wealth or actively running and managing the acquired company.

- **Write Short Note of (1) KSFC (2) Venture capital**

KSFC (Karnataka State Financial Corporation)

Meaning: Karnataka State Financial Corporation established in 1951 through a State Financial Corp. Act 1951.

Objectives:

i. To cater to financial requirements of small-scale units.
ii. To extend medium and long term credits to units which fall outside the purview of Industrial Finance Corporation and Public Sector Banks.

Functions:

i. To provide long-term finance to small and medium sized industrial units organized on different ownership basis such as proprietorship, partnership, cooperative, public or private company concern.
ii. To provide finance to service-oriented enterprises such as travel agencies, car rental agencies, hotels, tourism-related activities, hospitals and nursing homes, etc.
iii. To take over sick SSI units and auction them to entrepreneurs willing to rebuild.

Venture Capital

Venture Capital is financing that investors provide to start-up companies and small businesses that are believed to have long-term growth potential. Venture capital generally comes from well-off investors, investment banks and any other financial institutions. However, it does not always take just a monetary form; it can be provided in the form of technical or managerial expertise.

Though it can be risky for the investors who put up the funds, the potential for above-average returns is an attractive payoff. For new companies or ventures that have a limited operating history (under two years), venture capital funding is increasingly becoming a popular— even essential— source for raising capital, especially if they lack access to capital markets, bank loans or other debt instruments. The main downside is that the investors usually get equity in the company and thus a say in company decisions.

Angel Investors

For small businesses, or for up-and-coming businesses in emerging industries, venture capital is generally provided by High Net Worth Individuals (HNWl) — also often known as *Angel Investors' — and Venture Capital Firms. The National Venture Capital Association (NVCA) is an organization composed of hundreds of venture capital firms that offer funding to innovative enterprises.

Angel Investors are typically a diverse group of individuals who have amassed their wealth through a variety of sources. However, they tend to be entrepreneurs themselves, or executives recently retired from the business empires they've built.

Self-made investors providing Venture Capital typically share several key characteristics. The majority look to invest in companies that are well-managed, have a fully-developed business plan and are poised for substantial growth. These investors are also likely to offer funding to ventures that are involved in the same or similar industries or business sectors with which they are familiar. If they haven't actually worked in that field, they might have had academic training in it. Another common occurrence among angel investors is co-investing, where one angel investor funds a venture alongside a trusted friend or associate, often another angel investor.

The Venture Capital Process

The first step for any business looking for venture capital is to submit a business plan, either to a venture capital firm or to an angel investor. If interested in the proposal, the firm or the investor must then perform due diligence, which includes a thorough investigation of the company's business model, products, management and operating history, among other things.

Since venture capital tends to invest larger dollar amounts in fewer companies, this background research is very important. Many venture capital professionals have had prior investment experience, often as equity research analysts, others have Masters in Business Administration (MBA) degrees. Venture capital professionals also tend to concentrate in a particular industry. A venture capitalist that specializes in healthcare, for example, may have had prior experience as a healthcare industry analyst.

Once due diligence has been completed, the firm or the investor will pledge an investment of capital in exchange for equity in the company. These funds may be provided all at once, but more typically the capital is provided in rounds. The firm or investor then takes an active role in the funded company, advising and monitoring its progress before releasing additional funds.

The investor exits the company after a period of time, typically four to six years after the initial investment, by initiating a merger, acquisition or Initial Public Offering (IPO).

- What is Whistle Blowing and describe the types of while blowing ?

Whistle-Blowing is alerting relevant persons to some moral or legal corruption where "relevant persons" are those in a position to act in response, if only by registering protest. In this sense, an individual need not be a member of an organization in order to blow the whistle on it. Journalists, politicians and consumer groups may learn of corruption in organizations they do not work for and blow the whistle on them by publishing articles or informing regulatory agencies

There are four main features of whistle-blowing that characterize the cases of interest here:

1. Act of Disclosure
2. Topic

3. Agent
4. Recipient

Act of Disclosure: Information is intentionally conveyed outside approved organizational channels or in situations where the person conveying it is under pressure from supervisors or others not to do so.

Topic: The information concerns what the person believes is a significant moral problem for the organization (or an organization with which the company does business). Examples of significant problems are criminal behaviour, unethical policies or practices, injustices to workers within the organization and serious threats to public safety and well-being.

Agent: The person disclosing the information is an employee or former employee (or someone else closely associated with the organization).

Recipient: The information is conveyed to a person or organization in a position to act on the problem (as opposed, for example, to telling it to a relative or friend who is in no position to do anything). The "action" may consist in remedying or merely protesting the problem and the recipient may in fact decide not to act on the information received. Typically, though not always the information being revealed is new or not fully known to the person or group it is sent to.

Construction Industry employees are often required to report improper, unsafe or illegal construction activities. Whistle blowing is an act of conveying information about a significant moral problem by a present or former employee, outside approved channels (or against strong pressure) to someone, in a position to take action on the problem.

Types of Whistle Blowing

i. External Whistle Blowing: The act of passing on information outside the organization.

ii. Internal Whistle Blowing: The act of passing on information to someone within the organization but outside the approved channels.

iii. Either Type is likely to be considered as disloyalty, but the second one is often seen as less serious than the latter. From corporation's point of view both are serious because it leads to distrust, disharmony, and inability of the employees to work together.

iv. Open Whistle Blowing: Individuals openly revealing their identity as they convey the information.

v. Anonymous Whistle Blowing: Individual conveying the information conceals his her identity.

1. **Define : Values , Morals and Ethics ? Write a short Note on integrity and trust worthiness ?**

2. values describes individual or personal standards of what is valuable or important. Values are a system of personal beliefs that comes from within for deciding good or bad, right and wrong or should and shouldn't. Values are the fundamental principles that guide a persons decisions. Values do not have to be shared by a persons 'society/community' because they are depend on the individual's choices.

3. morals describes the goodness or badness or right or wrong of actions. Morals do not determine values but are formed because of values. Morals are a system of personal beliefs that are used for deciding good or bad / right or wrong (what is and is not acceptable for the

person to do). An individuals 'moral' action may be contradictory to what is legal, but in the end the individual believes it is the right behaviour. Morals are personal to the individual although often shared by their 'society/community', at least in part.

4. ethics describes a generally accepted set of moral principles. Ethics are moral values in action. A person follows certain ethical 'rules' because their 'society/community' says it is the right thing to do. Ethics are usually dependent on others to create and support the definition – like a governing body of doctors or a religion.

Integrity

This principle embodies a sentiment expressed earlier in the paper in recognising the overall objective of construction being the production of safe, reliable, useable and affordable construction. This is only achievable if the professionals concerned can look beyond their own or their client's narrow agenda.

Trustworthy. Say what you believe and then do what you say. People need to know they can count on you and put their trust in you. Strong integrity and sincerity will lead to the respect and trust of others.

- **What is DPR ? Discuss the guidelines for preparation of model project report for starting new venture ?**

DPR : DETAILED PROJECT REPORT

Guidelines for Preparation of Model Project Report for Starting a New Venture
Guidelines by Planning Commission for Project Report

The Planning Commission of India has issued some guidelines for preparing/formulating industrial project reports. This was required so that Project Reports would then contain all the necessary information in order to be processed and help arrive at investment decision. A typical Project Report prepared by an entrepreneur should contain all the following, information, not necessarily in the same order, so as to help investors to take decision.

1. General Information
2. Preliminary analysis of Alternatives
3. Project Description
4. Marketing Plan
5. Capital Requirements and Costs
6. Operating Requirements and Costs
7. Financial Analysis
8. Economic Analysis
9. Miscellaneous Aspects

1. General Information

- A Project Report should first of all include an analysis of the industry to which the project belongs. Ex: Tourism industry, infrastructure, Electric motors, GI pipes etc.
- It should outline the past performance and the future estimates of that industry.

- The type of industry in question should be described very well with respect to priority of industry, increase in production, role of the public sector, allocation of funds, choice of technique etc.
- The Report should also contain information of the promoting company with respect to its history, Board of directors, key executives, details of division etc.

2. Preliminary analysis of Alternatives

A Project Report should contain:

- Current data available on the gap between demand and supply for the product to be produced.
- Data on the productions capacity that would be made available
- A complete list of all existing plants in the industry and their capacities.
- A list of all other proposed plants and projects
- Information on the location of the plant and its implication
- An account of the foreign exchange requirement
- The profitability of different options
- Calculation on the rate of return on investment
- Alternative cost calculation vis-a-vis revenues

3. Project Description

The Project Report should provide

- A brief description of the technology chosen
- Information regarding basis of selection of location
- Assessment of environmental effects of projects such as on water, air, land, flora and fauna, population, pollution etc.,
- A list of operational requirements to start the plant, such as water, power, labour, transport etc.

4. Marketing Plan

The Project Report should contain the following information with respect to marketing

- Data on the marketing plan
- Demand data and prospective supply
- Forecasting techniques employed to determine demand data.
- Basis for selecting particular market areas
- Price-sensitivity of the product
- Analysis of past trends in prices.

5. Capital Requirements and Costs

The Project Report has to be as precise as possible with respect to financial requirements and costs incurred. Information on all cost components should be carefully collected and presented.

6. Operating Requirements and Costs

Operating Costs are those costs that are incurred after the commencement of actual production, such as raw materials, utilities, labour, transport, maintenance etc.

7. Financial Analysis

- The financial availability of the project should be reported.
- A proforma Balance Sheet for the project data should be presented.
- Depreciation calculation must be shown as specified by the Bureau of Public Enterprises.
- Foreign exchange requirements must be specified.
- A report on tax matters must be included.
- Sensitivity analysis on the rate of return under various demand situation must be added.

8. Economic Analysis

- Social profitability analysis has to be made
- The exact impact of the operation on foreign trade has to be elaborated in the Report

- Indirect costs and benefits should also be included in the report
- If these things cannot be quantified they should be analyzed and their importance highlighted

9. Miscellaneous Aspects

Any other information that the entrepreneur thinks is appropriate should be included in the Project Report, which might help him impress the investors. For example, the level of technology used, Cash Flow diagram estimate, the future expansion plans, diversification plans, scale-up plans etc.