

IAT 5 - SCHEME

Course Name: Management and Entrepreneurship for IT Industry **Course Code:** 18CS51

Q.No.	Solution Scheme	Marks
1.	Explain different internal and external sources of discovering project ideas.	10
Ans	<p>The project ideas can be discovered from various other sources also. They are.</p> <ul style="list-style-type: none">i. Knowledge of potential customer need.ii. Watching emerging trends in demands for certain products.iii. Knowledge about the Government policy, concessions and incentives, list of items reserved for manufacture in SSIs.iv. Ideas generated by concerned people.v. Scope for producing substitute product.vi. Visiting trade fairs, exhibitions of new products etc.vii. Observation of market and similar products.viii. Competitor's products.ix. Ideas given by friends and relatives based on their experience and observations. <p>➤ Project selection</p> <p>Project selection starts from where project identification ends. After identifying some projects, they need to be analysed in the light of existing economic conditions, the government policies, target markets, profit, availability of raw materials and skills etc.</p> <p>One of the well-known tool for this analysis is SWOT or SCOT analysis. (Strength Constraints Opportunities & threats)</p> <p>The entrepreneur analyses all the strengths of the enterprise like skills,</p>	
2	What are Intellectual Property Rights (IPRs)? Why we need to promote and protect IPRs. Explain Types of IPR with example.	10
Ans	<p>➤ Introduction to IPR (Intellectual Property Rights):</p> <p>Intellectual property is an asset for an entrepreneur. It consists of certain intellectual creations by entrepreneurs or their staffs that have commercial value and are given legal property rights. Example of such creation are a new product and its name, a new method, a new process, a new promotional scheme and a new design.</p>	

A fence or a lock cannot protect these intangible assets. Instead, Patents, Copyrights and Trademarks are used to prevent competitors from benefiting from an individual's or firm's ideas.

Protecting intellectual property is a practical business decision. The time and money invested in perfecting an idea might be wasted if others could copy it. Competitors could charge a lower price because they did not incur the start-up costs. The purpose of intellectual property law is to encourage innovation by giving creators time to profit from their new ideas and to recover development costs.

Intellectual property rights can be sold, licensed or given away freely. Some business have made billions of dollars by licensing or selling their patents or trademarks. Every entrepreneur should be aware of intellectual property rights to protect these assets in a world of global markets. An intellectual property lawyer can provide information and advice.

The main forms of intellectual property rights

Patents: A patent grants an inventor the rights to exclude others from making, using, offering for sale or selling an invention for a fixed period – in most countries, for up to 20 years. When the period ends, the patent goes into the public domain and anyone may use it.

Copyrights: Copyrights protect original creative works of authors, composers and others. In general, a copyright does not protect the idea itself, but only the form in which it appears from sound recordings to books, computer programs or architecture. The owner of copyrighted material has the exclusive right to reproduce the work, prepare derivative works, distribute copies of the work, or perform or display the work publicly.

Trade Secrets: Trade secrets consist of knowledge that is kept secret to gain advantage in business. "Customer lists, sources of supply of scarce materials, or sources of supply with faster delivery or lower prices may be trade secrets" explains Joseph S. Iandiorio, the founding partner of Iandiorio and Teska, an intellectual property law firm. "Certainly, secret processes, formulas, techniques, manufacturing know-how, advertising schemes, marketing programs and business plans are all protectable."

Trade secrets are usually protected by contracts and nondisclosure agreements. No other legal form of protection exists. The most famous trade secret is the formula for

	<p>CocaCola, which is more than 100 year old.</p> <p>Trade secrets are valid only if the information has not been revealed. There is no protection against discovery by fair means such as accidental disclosure, reverse engineering or independent invention.</p> <p>Trademarks: A trademark protects a symbol, word or design used individually or in combination to indicate the source of goods and to distinguish them from goods produced by others. For example, Apple customer uses a picture of an apple with a bite out of it and the symbol () which means registered trademark. A service mark similarly identifies the source of service. Trademark and service marks give a business the right to prevent others from using a confusingly similar mark. In most countries, trademarks must be registered to be enforceable and renewed main in force. However, they can be renewed endlessly.</p>	
3	<p>Small Scale Industries play a crucial role in providing employment opportunities at lower capital cost. SSI contribute to the economy of the nation. Justify the above statement by illustrating their characteristics and advantages.</p>	10
Ans	<p>➤ Characteristics of SSI</p> <ol style="list-style-type: none"> 1. Capital investment is small and most of the SSI's have small number of employees. 2. Generally owned by a single or at the most two persons and engaged in production of small goods. (It is generally a one-man show). 3. The owner himself or herself is a manager, who takes effective participation in all matters of business decision making. 4. Most of them are family owned industries. 5. Funded by owners savings or short term loans. 6. The scope of operation of SSI is generally localized, catering to the local and regional demands. 7. The gestation period i.e., the period after which return on investment starts is relatively lower when compared to large units. 8. Workers are not well recognised and they may do different types of works as need arises. 9. Management and organization are very poor in SSIs. 10. Profit margin is less due to competition. 11. Chances of early closure is more. 12. Generally found in 	

	<p>urban or semi-urban areas.</p> <p>13. Few of them may grow as medium scale industries.</p> <p>➤ Advantages of micro and small enterprises</p> <ol style="list-style-type: none"> 1. SSI don't require high level of technology. 2. They do not require large capital 3. SSI create immediate employment at a relatively small capital investment. 4. Locally available skilled and semi-skilled people can be appointed at short notice and at a much lower wages compared to the medium and large industries. 5. The project related to SSI can be completed in short period. 6. SSI have small gestation period. 7. Source of employment for local people, either full time or part time. 8. SSIs act like training area for local entrepreneurs 9. They meet the increased demand of consumer goods and mass consumption goods. 10. They helps in economic growth of the country 11. SSI make it possible to shift manufacturing activities from busy towns to rural areas. This helps in geographical distribution of skills and technology in the country. 12. SSI helps in creating jobs for unemployed people. 13. They helps in developing rural areas 	
4	Illustrate the case study of N R Narayana Murthy & Infosys.	10
Ans	<p>2. N. R. Narayana Murthy & Infosys</p> <p>Nagavara Ramarao Narayana Murthy better known as N. R. Narayana Murthy, is one among the seven founders of Infosys Technologies, a global consulting and IT services company. He is currently the non-executive Chairman and Chief Mentor of Infosys.</p> <p>Born into a Kannada Madhva brahmin family in mysore on 20 August 1946. Murthy graduated with a degree in Electrical Engineering from the National Institute of Engineering, University of mysore in 1967 after attending government school, and received his master's degree from IIT Kanpur in 1969.</p> <p>After his studies he worked as a chief system programmer on time-sharing system and designed and implemented BASIC interpreter for ECIL (Electronics Corporation of India</p>	

Limited) at **IIM Ahmedabad**.

After IIM Ahmedabad, he joined **Patni computer** systems in **Pune**. He married **Sudha Murthy**, she was an engineer working at Tata Engineering and Locomotive (now known as Tata Motors) in Pune.

In 1981, he founded Infosys with six other software professionals. In its early days Infosys was supported financially by **Karnataka State Industrial Development Corporation (KSIDC)** and **Karnataka State Financial Corporation (KSFC)** which sanctioned Rs.24 lakh for the purchase of computers.

During a lecture delivered by Murthy at the **Stern School of Business**, New York University in 2007. He shared rare insights about the struggles undergone by him and Infosys during the early days:

He shared two incidents of his life

1. When i was a graduate student in Control Theory at **IIT Kanpur in India**. At breakfast on a bright Sunday morning in 1968, i had a chance encounter with a famous computer scientist on **sabbatical** (A period of paid leave granted to a university teacher for study or travel) from a well-known US university. He was discussing exciting new developments in the field of computer science with a large group of students and how such developments would alter future. I was inspired by his

2. talk and went straight from breakfast to the library and read four to five papers he had suggested and left the library with determined to study computer science. **This is how one role model can alter for the better future of a young students.**

This experience

taught me that **valuable advice can sometimes come from an unexpected source**, and can sometimes **open new doors**.

3. The next incident happened in **1974 at Nis a border town between Serbia and Bulgaria**, I was way back to my home town Mysore. I was hitchhiking (taking lift from passing vehicles) by the time a kind driver dropped me at Nis railway station at 9pm on a Saturday night, the restaurants was closed. I could not eat because i had no local money. I slept on the railway station till the train comes. Finally the **Sofia Express** arrives. The only passengers in my compartment were a girl and a boy. I struck a conversation in French with young girl. She

	<p>talked painful story of the people those who are living in Bulgaria. Suddenly some local police enters into the compartment they were summoned by the young man, who thought we were criticizing the communist government of Bulgaria. The girl was led away, my bag was confiscated and I was dragged into a small 8 X 8 foot room with a cold stone floor, I was held in that bitterly cold room without food or water for over 72 hours. I had lost all hope of ever seeing the outside world again, when the door opened. I was again dragged out and told I would be released 20 hours later upon reaching Istanbul. The guard’s final words still ring in my ears “You are from a friendly country called India and that is why we are letting you go!”, These incidents led me to start Infosys in 1981.</p> <p>On a chilly Saturday morning in winter 1990, five of the seven founders of Infosys met in Infosys office in Bangalore. They decided to sell Infosys for \$1 million. After 9 years of business in India we were quite happy at the prospect of seeing at least some money. I let my younger colleagues talk about their future plans and the journey they had undergone. Finally, it was my turn. I spoke about our journey from a small Mumbai apartment in 1981 to this level. If still you want to sell I am ready to buy the company (though I did not have a cent in my pocket). There was a stunned silence in the room. I also remained silent, however after an hour of my arguments, my colleagues changed their minds to my way of thinking. I urged them that if we wanted to create a great company, we should be optimistic and confident.</p> <p>In the seventeen years since that day Infosys has grown to revenues in excess of \$3.0 billion, a net income of more than \$800 million and a market capitalization of more than \$ 28 billion, 28,000 times richer than the offer of \$1 million on that day. In the process Infosys has created more than 70,000 well-paying jobs, 2,000-plus dollar-millionaires.</p>	
5	Explain the guidelines specified by Planning commission of India.	
Ans	<p>➤ Guidelines by planning commission for project report</p> <ol style="list-style-type: none"> 1. General information 2. Preliminary analysis of alternative 3. Project description 4. Marketing plan 5. Capital requirements and cost 	

6. Operating requirements and costs

7. Financial analysis

8. Economic analysis

1. General information - The report should contain general information regarding the company, past performance of the company, product profile and product details and specification.

2. Preliminary analysis of alternative

This should contain present data and the gap between demand and supply for the outputs which are to be produced.

A complete list of all existing plants in the industry, giving their capacity and their level of production.

All options that are technically feasible should be considered at this preliminary stage. The location of the project and its implications should also be looked in.

3. Project description

The feasibility report should provide a brief description of the technology/process chosen for the project.

Environmental effects of a project should also mention i.e., population, water, land, air, flora, fauna, effects arising out of the project's pollution, other environmental destruction, etc.

4. Marketing plan - It should contain the following items: Data on the marketing plan, demand and prospective supply in each of the areas to be served.

End-users of product (target users), distribution channels, national, international, sales promotion, estimated sales etc. need to be included.

Estimates of the degree of price should be presented. It should contain an analysis of past trends in prices.

5. Capital requirements and cost - The estimates should be reasonably complete and properly estimated. Information on all items of costs should be carefully collected and presented.

6. Operating requirements and costs - Information about all items of operating cost should be collected. Operating costs relate to cost of raw, materials and intermediaries, fuel, utilities, labour, repair and maintenance, selling expenses and other expenses.

7. Financial analysis – financial and fund flow analysis need to be carefully included.

	<p>8. Economic analysis: profit, return on investment, break even analysis, market share etc. need to be included.</p>	
6	Explain the objectives and functions of Technical Consultancy Service Organization of Karnataka (TECSOK).	10
Ans	<p>i To provide reliable consultancy support for entrepreneurs to start up self- employment ventures in Karnataka.</p> <p>ii To provide consultancy services to various departments and agencies of state and central government.</p> <p>➤ TECSOK (Technical Consultancy Service Organization of Karnataka)</p> <p>These organizations are highly useful to entrepreneurs in providing many services and are found in almost all states. It was established in 1976 by the government of Karnataka. Its office is located in Nrupatunga road, Bangalore. It helps entrepreneurs in preparation of feasible reports at a subsidized cost.</p> <p>Nature of Support: Multi-disciplinary: Technical, Industrial and Management Consultancy.</p> <p>Objectives:</p> <p>iii To provide reliable consultancy support for entrepreneurs to start up self- employment ventures in Karnataka.</p> <p>iv To provide consultancy services to various departments and agencies of state and central government.</p> <p>Functions:</p> <p>v Location specific identification of investment opportunities.</p> <p>Assistance in obtaining statutory and procedural clearances.</p> <ul style="list-style-type: none"> ● Feasibility studies and environment impact studies. ● Preparation of detailed project reports as per investment norms and financial norms. ● Market survey and research. ● Project implementation and turnkey assistance. ● Reorganization and restructuring of enterprise. ● Valuation of assets, manpower planning and budgetary 	

	<p>control system.</p> <ul style="list-style-type: none">● Energy management and audit, corporate plan, technology transfer.● Diagnostic studies and rehabilitation of sick industries.● Designing and organizing training programmes.● Management studies, company formation, corporate plan, enterprise restructuring.● Port tariff study and related areas.● Consultancy for agro-based industries as a Nodal Agency of government of India.● Consultancy for mergers /takeovers.● Infrastructure development projects.	
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