

Internal Assessment Test 2 – December 2022

Question paper and Answer Scheme

18CS51 - Management and Entrepreneurship for IT industry

Question Paper

USN



Internal Assessment Test 2 – December 2022

Sub:	Management and Entrepreneurship for IT industry				Sub Code:	18CS51	Branch:	ISE		
Date:	01/12/2022	Duration:	90 min's	Max Marks:	50	Sem/Sec:	V A, B & C	OBE		
Answer any FIVE FULL Questions								MARKS	CO	RBT
1)	Explain the different types of feasibility study in identification of business opportunities.						10	1	L2	
2)	Explain Maslow's hierarchy theory and Herzberg's hygiene theory.						10	1	L2	
3)	What is communication and explain its importance. Explain the different modes of communication.						10	1	L2	
4)	What is directing? List the elements of directing. Explain the principles of directing.						10	1	L2	
5)	Who is an entrepreneur? Explain the stages in the entrepreneurial process.						10	1	L2	
6)	Illustrate the barriers of an agricultural entrepreneur in India.						10	1	L3	

Faculty Signature

CCI Signature

HOD Signature

Answer scheme

1. Explain the different types of feasibility study in identification of business opportunities. [10 marks] [CO1] [RBT-L2]

Market Feasibility study

It will assess whether the product has good market.

It needs to study the following

- Nature of market
- Cost of production
- Selling price and profit
- Demand
- Market share
- Target market

Technical Feasibility study

In technical feasibility the following are studied

- Location of project.
- Construction of factory, building and its size.
- Availability of raw materials.
- Selection of machinery.
- Utilities.
- Production capacity.
- Staff requirement.

Financial Feasibility study

Aspects involved in this are

- Total capital cost
- Sources of capital
- Subsidiary sources for additional finance
- Financing for future development of business.
- Break even Analysis (BEA)
- Estimation of cash and fund flow.
- ROI
- Cost of labour and Technology.

Social Feasibility study

This study is important in social environment

- Location
- Social problem.
- Pollution and natural calamities.

2. Explain Maslow's hierarchy theory and Herzberg's hygiene theory. [10 marks] [CO1] [RBT-L2]

Maslow's theory:

Abraham Maslow is well renowned for proposing the Hierarchy of Needs Theory in 1943. Maslow was of the view that needs have priority, i.e., needs are satisfied in an order. As soon as the lower-level needs are satisfied. Those on the next higher level emerge. Thus, he considered an individual's motivation behavior as a predetermined order of needs.

Physiological Needs: Food, water, clothing, shelter.

Safety Needs: Needs for protection against danger or fear of loss of losing job, property or shelter.

Social Needs: Third level in the hierarchy depends on love, friendship, affection, association, and acceptance.

Esteem needs: 2 sub sets

- ❖ First subset includes achievements, strength and freedom.
- ❖ Second subset includes status, recognition and prestige.

Self-actualization needs: The desire to become more and more of what one is capable of becoming. This is also called self-realization.

Herzberg's hygiene theory:

This theory was developed by Frederick Herzberg of the university of Utah.

In one group of needs are such things as company policy and administration, supervision, working conditions, interpersonal relations, salary, job security and personal life. These are called as dis-satisfiers and not motivators.

In The second group, he listed certain satisfiers and therefore motivators, which are related to job content. They include achievement, recognition, challenging work, advancement and growth in the job.

Hygiene factors	Motivating factors
Status	Challenging work
Interpersonal relations	Achievement
Quality of supervision	responsibility
Company policy and administration	Growth in the job.
Working conditions	Advancement
Job security	Recognition
Salary	

3. **What is communication and explain its importance. Explain the different modes of communication.** [10 marks] [CO1] [RBT-L2]

Communication:

Communication is the process by which two or more persons come together to exchange ideas and understanding amongst themselves.'

Communication is a basic organizational function, which refers to the process by which a person (known as sender) transmits information or messages to another person (known as receiver).

Importance of communication:

Communication helps employees to understand their role clearly and perform effectively.

It helps in achieving co-ordination and mutual understanding which in turn leads to increased productivity.

Communication improves managerial efficiency and ensures cooperation of the staff. Effective communication helps in moulding the attitude and building up employees' morale.

Different modes on communication:

Oral communication:

It is the easiest when one needs to communicate urgently.

Example: Conversations, Interviews, Phone calls, Speeches, meetings etc.

Written communication:

It is relatively permanent and accessible.

Examples: Letters, Memos, Reports, etc.

Expression:

Body unconsciously does 90% of communication.

Example: Facial expressions, Actions, Tone

4. **What is directing? List the elements of directing. Explain the principles of directing.** [10 marks] [CO1] [RBT-L2]

Directing

Directing consists of process and techniques utilized in issuing instruction which is carried out as originally planned.

Directing is the process of guiding and supervising employees, often one- on-one, while they work.

Elements of directing:

- Motivation
- Leadership
- Communication

- Co-ordination

Principles of directing:

1) Harmony of objectives:

The goals of its members must be in complete harmony with the goals of an organization. The manager must direct the subordinates in such a way that they perceive their goals to be in harmony with enterprise objectives. ➤ For Example the company's profits may be associated with the employee's gains by giving additional bonus or promotion.

2) Unity of Command:

The subordinates must receive orders and instructions from one supervisor only the violation of which may lead to conflicting orders, divided loyalties and decreased personal responsibility for results.

3) Direct supervision:

Every supervisor must maintain face-to-face contact with his subordinates which boosts the morale of the employees, increases their loyalty and provides them with feedback on how well they are doing.

4) Efficient Communication:

Communication is an instrument of direction through which the supervisor gives orders, allocates jobs and explains duties and ensures performance. It is a two-way process which enables the superior to know how his subordinates feel about the company and how the company feels on a number of issues concerning them. In communication comprehension is more important than the content.

5) Follow-through:

It is an act of following through the whole performance of his subordinates to keep check on their activities, help them in their task and point out deficiencies if any and revise their direction if required.

5. Who is an entrepreneur? Explain the stages in the entrepreneurial process.

[10 marks] [CO1] [RBT-L2]

An entrepreneur is one who always searches for changes responds to it and exploits it as an opportunity.

An entrepreneur is a highly task oriented, enthusiastic and energetic individual.

Stages in the Entrepreneurial Process:

1. Identification of an opportunity

The stage in which the entrepreneur generates ideas, recognizes opportunities, and studies the market.

2. Evaluation of opportunity

Most critical element of the process.

It involves looking at length of the opportunity, its real value, its risks, returns, goals SWOT (Strength, weakness, opportunities and threats) analysis.

This plan includes

- Description of product
- Agreement of opportunity.
- Assessment of Entrepreneur and his team
- Resources needed.
- Source capital, rewards and profit expected.

3. Development of Business Plan

A business plan is a document that outlines your plan for initiating and operating a business.

The plan should contain the following in order

- Title of project, table of contents and executive summary
- Description of business and industry
- Technology plan
- Financial and organization plan.
- Production, marketing and distribution plan.
- Summary of plan.

4. Determination and organizing Resourcing

- Identify potential investors
- Apply for loans, grants and assistance
- Hire employees

5. Management of Enterprise

- Implement the business plan
- Operational problems of growing enterprise must also be examined.
- This calls for a management with all 5 functional areas of management.

6. Illustrate the barriers of an agricultural entrepreneur in India.

[10 marks] [CO1] [RBT-L3]

Lack of Infrastructural Facilities:

Infrastructure facilitates performing any activity. There is a need for the availability of a minimum level of prior-built up infrastructural facilities to undertake any economic activity including starting an enterprise. However, especially rural areas suffer from the lack of or weak infrastructural facilities in terms of road, rail, telecommunication,

electricity, market information network, etc. This, in turn, adversely affects the effective use of Agri-Resources available, on the one hand, and efficiency and mobility of labour, on the other.

Problem of Marketing:

If proof of pudding lies in eating, the proof of production lies in consumption. Production has no value unless it is sold / consumed. The major marketing problems faced by agri-entrepreneurship are lack of marketing channels and networks, promotional facilities, support system, poor quality of products, and competition with medium and large-scale enterprises.

The enterprises run by agri-preneurs often do not possess any marketing organization. In consequence, their products compare unfavourably with the quality of the products manufactured by medium and large-scale organizations.

Inefficient or Lack of equipment and Technologies:

Today is the era of information technology and information is considered as power. Technology gives competitive advantages in various forms to compete with competitors. For example, exemplifies how technology empowers the rural farmers in marketing their products. But, either inefficient or lack of required equipment and technology has been one of the major challenges faced by agri-preneurs especially in rural areas.

Technology such as satellite based geographic information system (GIS) promises more efficient use of available resources and more effective management efforts but these technologies are lacking in most of the agribusiness industries especially in rural areas. While this affects the quality of products, it also makes the products more costly.

High Infrastructural and Distribution Costs:

Transportation facilities are prerequisites to make the inputs available at enterprise location and outputs at the location of consumers scattered over vast territory. As most of the agri-enterprises are located far from urban areas, these suffer from transport problems for both inputs and outputs.

As such, either there is non-availability of required inputs and outputs at the right time at the right place or whatsoever is available is possible at a higher cost making the product ultimately costlier as compared to the products offered by enterprises located at urban areas.

Unresponsive Government Policies:

That policy facilitates doing things in a desired and more effective manner is evidenced by various industrial policies declared in our country over the period. There are evidences available to believe that the various industrial policies have facilitated to set the right tone and tempo of industrial development in our country.

Realizing this, industrial policies both at micro and macro levels have been declared from time to time in the country. Small-scale sector has experienced impressive growth after the declaration of a separate industrial policy for this sector titled “Promoting and Strengthening Small, Tiny and Village enterprises, 1991.”

Very recently, the Government of India has again declared a separate industrial policy titled “Micro Small and Medium Enterprises Development (MSMED) Act, 2006. However, there has so far not been any separate policy for agri-business in the country and in the absence of specific policy; the desired development of agri-business sector has been hampered.