

Internal Assessment Test 2 – Dec 2022

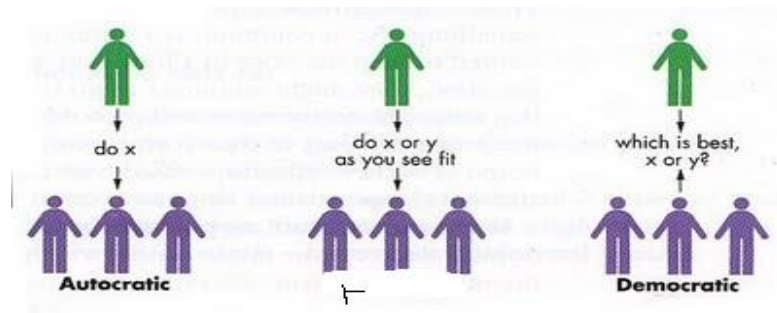
Solutions

| | | | | | | | | | |
|-------------|---|-----------|---------|------------|----|-------------|--------------|----------------|-------------|
| Sub: | MANAGEMENT AND ENTREPRENEURSHIP FOR IT INDUSTRY | | | | | | Code: | 18CS51 | |
| Date : | 1 st Dec 2022 | Duration: | 90 mins | Max Marks: | 50 | Sem: | V | Branch: | CSE – A & C |

Note: Answer any five questions:

| | | |
|---|--|------------|
| 1 | <p>a) Laura is the associate director of a nonprofit agency that provides assistance to children and families. She is the head of a department that focuses on evaluating the skill-building programs the agency provides to families. She reports directly to the agency leadership. As a whole, the agency has been cautious in hiring this year because of increased competition for federal grant funding. However, they have also suffered high staff turnover. Two directors, three key research staff, and one staff person from the finance department have left. Laura has a demanding schedule that requires frequent travel; however, she supervises two managers who in turn are responsible for five staff members each in taking decisions as per the situations at different levels. Both managers have been appointed within the last six months. Which leadership style do you think a leader would need to be effective in this situation with explanation. (10M)</p> <p><u>Types of leadership styles –</u></p> <ul style="list-style-type: none"> ▶ Autocratic - A leadership style where the leader makes all decisions independently or without consulting with others Advantages: good in certain circumstances, such as urgent tasks or military actions Disadvantages: poor decisions, poor level of employee motivation ▶ Democratic - A leadership style where a leader encourages employee participation in decision-making Type of consultative Advantages: better decisions, employee motivation Disadvantages: delayed decision, long consultation ▶ Free Rein A leadership style where employees are encouraged to make their own decisions. Advantages: more freedom for employees Disadvantages: few guidelines, little incentive, poor motivation, maybe a mess <ul style="list-style-type: none"> ◦ Autocratic leadership—boss makes decisions on their own without consulting employees ◦ Democratic leadership—involves subordinates in making decisions | 10M |
|---|--|------------|

- Free-reign leadership—leader believes in minimal supervision, leaving most decisions to subordinates



2

- a) Adarsh is trying to reduce wastage of resources in his company. He is trying to do it in the best possible manner. He has set standards for performance of different types of activities and is doing his level best to perform according to these set standards to minimize wastage of resources. Things are not going to be over for him as he will have to look into other aspects too. He has set up a good monitoring system which helps him know how to employees are performing according to set standards as when the employees meet these standards, they will be given incentives. He is hoping to pull out a good performance from his team this year.

Which function of management has been referred to in the above case?

Explain which process of this function of management have been highlighted in the above case? (10 M)

Various methods of controlling process

Control is reciprocally related to planning :

- Draws attention to situations where new planning is needed.
- Provides data upon which plans can be based.

Various steps in control process which are necessary in its relationship to planning :

Establishment of control standards

The control process begins with planning and the establishment of performance objectives.

Performance objectives are defined and the standards for measuring them are set.

There are two types of standards:

- Output Standards - measures performance results in terms of quantity, quality, cost, or time.
- Input Standards - measures work efforts that go into a performance task.

Measurement of performance

Measurements must be accurate enough to spot deviations or variances between what really occurs and what is most desired.

Without measurement, effective control is not possible

Comparison between performance and standards and the communication.

Accurate standards and accurate measurement of actual performance are very important for clear revelation of variations.

10M

Required standards achieved :

- No further managerial action is necessary.
- Control process is complete.
- Required standards not achieved :
- Extent of variation may differ from case to case, depends upon the type of activity.

Correction of deviation from the standards.

Actions should be taken to maintain the desired degree of control in the system or operation.

Control actions :

- Review of plans and objectivess and change therein on the basis of such review.
- Change in the assignment of tasks.
- Change in existing techniques of direction.
- Change in the organization structure.
- Provision for new facilities.



3 a) Explain the process involved in entrepreneurial process. (10M)

10M

Steps in the Entrepreneurial Process

1. Discovery

The stage in which the entrepreneur generates ideas, recognizes opportunities, and studies the market. An idea is a concept for a product or service that does not exist or is not currently available in a market . It may be a brand-new concept or an improvement of a current product or service. In contrast, an opportunity is an idea for a new product or service with a market that is willing to pay for that product or service so that it can

form the basis of a profitable business. Innovation is the process of making changes to something that adds value to customers.

Techniques For Generating Ideas

Brainstorming, Focus Groups, Surveys, Other Techniques, User groups, Trade shows, Suppliers

Three Ways to Identify An Opportunity



Observing Trends

- The first approach to identifying opportunities is to observe trends and study how they create opportunities for entrepreneurs to pursue.
- There are two ways that entrepreneurs can get a handle on changing environmental trends:
 - They can carefully study and observe them.
 - They can purchase customized forecasts and market analyses from independent research firms.

Social Forces

- Changes in social trends provide openings for new businesses on an ongoing basis.
- The continual of fast-food restaurants, for example, isn't happening because people love fast food. It is happening because people are busy, and have disposable income.
- Similarly, the Sony Walkman was developed not because consumers wanted smaller radios but because people wanted to listen to music while on the go.
-

Technological Advances

- Given the rapid pace of technological change, it is vital that entrepreneurs keep on top of how new technologies affect current and future business opportunities.
- Entire industries have emerged as the result of technological advances.
 - Examples include the computer industry, the Internet, biotechnology, and digital photography.
- Once a new technology is created, new businesses form to take the technology to a higher level.
 - For example, Real Networks was started to add audio capability to the Internet.
 -

Political and Regulatory Changes

- Political and regulatory changes provide the basis for new business opportunities.
 - For example, laws that protect the environment have created opportunities for entrepreneurs to start firms that help other firms comply with environmental laws and regulations.

Similarly, many entrepreneurial firms have been started to help companies comply with the Sarbanes-Oxley Act of 2002. The act requires certain companies to keep all their records, including e-mail messages and electronic documents, for at least five years

Second Approach: Solving a Problem

Sometimes identifying opportunities simply involves noticing a problem and finding a way to solve it. These problems can be pinpointed through observing trends and through more simple means, such as intuition, or chance.

| Entrepreneur(s) | Year | Problem | Solution | Name of Business That Resulted |
|---------------------------|------|---|--|------------------------------------|
| Rob Glaser | 1995 | No way to play audio and video on the Internet | Developed software to play audio and video on the "Net" | RealNetworks |
| Fred Smith | 1973 | Inability to get spare parts delivered on a timely basis for his company, a jet aircraft sales firm | Started a new company to help others get packages delivered in a timely manner | Federal Express (now called FedEx) |
| Jerry Yang and David Filo | 1994 | No method to find or organize favorite Web sites | Created online directories to find and store favorites | Yahoo! |

Third Approach: Finding Gaps in the Marketplace

Gaps in the Marketplace

- A third approach to identifying opportunities is to find a gap in the marketplace.
- A gap in the marketplace is often created when a product or service is needed by a specific group of people but doesn't represent a large enough market to be of interest to mainstream retailers or manufacturers.
 - This is the reason that small clothing boutiques and specialty shops exist.

2. Concept Development

Develop a business plan: a detailed proposal describing the business idea

- A business plan is a document that outlines your plan for initiating and operating a business
- It provides a path to follow
- It makes it easy to let your banker and accountant evaluate your aim, task and objectives
- It can serve as a communications tool for informing salespeople, suppliers, and others about your operations and goals
- It can help you develop as a manager

A trademark is a word, phrase, symbol or design, or a combination of words, phrases, symbols or designs, that identifies and distinguishes the source of the goods of one party from those of others A copyright protects works of authorship, such as writings, music, and works of art that have been tangibly expressed. A patent for an invention is the grant of a property right to the inventor, issued by the Patent and Trademark Office

3. Resourcing

The stage in which the entrepreneur identifies and acquires the financial, human, and capital resources needed for the venture startup, etc

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

4. ActualizationThe stage in which the entrepreneur operates the business and utilizes

resources to achieve its goals/objectives.

5. Harvesting

The stage in which the entrepreneur decides on business's future growth/ development, or demise

Three ways:

1. Sell your business,
2. Take it public (Initial Public Offering) or
- 3. Merge it with another.**

4

a) Differentiate between Entrepreneur, Intrapreneur and Manager. (6M)

10M

| Point | Intrapreneur | Entrepreneur | Manager |
|--------------------|--|---|--|
| 1.Task Management | Independent , Innovates new ideas | Independent, starts new ventures | Supervisors more direct involvement |
| 2. Status | Not concerned about status, but wants recognition | Not concerned about status | Concerned about status symbol |
| 3. Risk | Owens moderate risk | Bears all the risks and uncertainty | Does not bear any |
| 4. Rewards | Gets fixed rewards for his work, may get extra fro his innovations | Since there is risk , he may get profits or loss depending on outcome | Works for salary w is fixed |
| 5. Innovation | Innovative | Very Innovation | Need not be Innov , he manages the id of Task Management |
| 6. Decision Making | Moderate, Limited to his work | Very much involved in Decision Making | Implements the decisions of Task Management |

b) Discuss the scope of entrepreneurship in India. (4M)

Entrepreneur – meaning of entrepreneur, types of entrepreneurship, stages of entrepreneurial process, role of entrepreneurs in economic development, entrepreneurship in India, barriers to entrepreneurship. Identification of business opportunities- market feasibility study, technical feasibility study, financial feasibility study and social feasibility study.

Meaning of entrepreneur - A person who takes the risk of converting a new idea into reality. One who creates a new business in the face of risk or uncertainty for the purpose of achieving profit and growth by identifying opportunities and assembling the resources to capitalize on those opportunities.

“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.

| | | |
|---|---|-----|
| | <p><u>Entrepreneurship in India</u></p> <ul style="list-style-type: none"> • Entrepreneurship in India is the effort of great people as well as professionals. • It started with family business around 1850 with the starting of cotton mill in bombay • From then Entrepreneurship had grown in all directions from cotton mill to electronic goods, health care, IT, Transport, space technology , education etc... <p>Some of the highly talented entrepreneurs of India are –</p> <ul style="list-style-type: none"> • J.R.D.Tata • Aditya Birla • Azim premji of Wipro • Narayana Murthy of Infosys • Dhirubai Ambani of Reliance • K.Patel of Nirma | |
| 5 | <p>a) Isha Machnies was a renowned name for quality sewing machines since 1960. Mr. Suresh, the owner of Isha Machnies, was worried as the production had declined during the last three months. He directed the Production Manager to find out the reason. The Product Manager ordered the different supervisor to prepare a feasibility study report of all the parameters. Identify and explain the steps taken by the Production Manager that is related to identification of business opportunity. (10M)</p> <p>A feasibility study is the process that every person or company should do before starting any project. A successful feasibility study may be accepted or rejected. It helps avoid risk and answers questions, like: Will it work ? How will it work ? What is needed ? When is the best time ? How much investment is needed ? What will the return be ? .</p> <p>A feasibility study is a study looks at the viability of an idea with an emphasis on identifying potential problems and attempts to answer one main question: Will the idea work Should you proceed with it</p> <p>To understand the gap between demand and supply the following analysis is necessary –</p> <p>Market feasibility study - Includes a description of the industry, current market, Target market , market share, anticipated future market potential, competition, selling price, sales projections, potential buyers, Demand, etc.</p> <p>Technical feasibility study - Details how you will deliver a product or service (i.e., materials, Machinery, labor, transportation, Staff requirement, where your business will be located, technology needed, etc.). Production process includes input, processing and output.</p> | 10M |

Financial feasibility study - Projects how much start-up capital is needed, sources of capital, returns on investment, Break even analysis, Return of investment, Cost of manpower & technology, proposed balanced sheet etc.

Social feasibility study - Defines the study of social environment like Location, Social problems and Pollution.

6

a) Tesco began in 1919 with one man, Jack Cohen, a market stallholder selling groceries in London. TESCO was formed out of a merger with T.E. Stockwell from whom he purchased tea for sale on the stall. The first store opened in 1929. Since then, Tesco has expanded across the world. It now has over 2,200 stores including hypermarkets and Tesco Express outlets to meet different customer needs. As a conglomerate Tesco also offers alternative goods and services such as insurance, banking and online shopping. With net profits of around £3.4 billion Tesco has become the largest British retailer and one of the world's leading retail outlets on three continents. Tesco's growth has resulted in a worldwide workforce of over 468,000 employees. To support its growth, Tesco needs staff that are motivated, flexible and well-trained and who recognize customer needs. In turn, Tesco's employees are supported by the company in their various roles and at different levels - from customer assistants in stores to department managers; from warehouse employees to office and logistics staff. Tesco recognizes that employee motivation is important for the continued growth of the company.

In this case study explain how Tesco motivates its employees by increasing their knowledge, skills and job satisfaction through training and development and providing relevant and timely reward, necessary needs and recognition.. (10M)

Motivation means a process of stimulating people to action to accomplished desired objectives

Characteristics

- ▶ Helps in satisfying needs of the Employees
- ▶ Change the negative attitude to Positive attitude
- ▶ Helps in introducing changes
- ▶ Improves level of efficiency of employees
- ▶ Creating friendly and supportive relationship

Various theories of motivation.

Fear and Punishment Theory

Managers developed a strategy of forcing people to work by threatening to punish or dismiss them or cut their rewards if they did not work well. This philosophy is characterized by thinking of aggressiveness and authorities managers. Their was a tight control and rigid supervision over workers.

Reward Theory

This theory tried to establish a direct relationship between efforts and rewards. Bases of Piece rate system of wages. Based on the standard manager should decide on degree of rewards and penalties

Carrot and Stick Theory

This theory suggests a combination of both rewards and penalties for motivation. This is based on the strategy of putting a carrot in front of the donkey and hitting it with the stick so it has to run.

Carrot refers to the incentives. Stick refers to the penalties.

Maslow's Theory of Motivation

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.



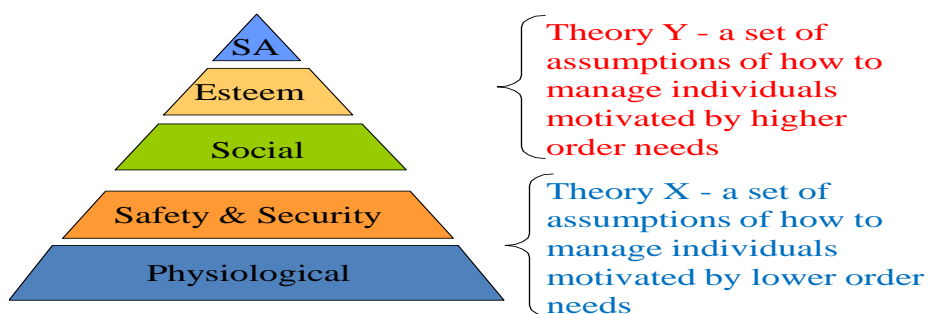
McGregor's Theory X and Y

Theory X - Assume that workers have little ambition, dislike work, avoid responsibility, and require close supervision.

Theory Y - Assumes that workers can exercise self-direction, desire, responsibility, and like to work.

Assumption - Motivation is maximized by participative decision making, interesting jobs, and good group relations.

Motivational Theories X & Y



McClelland's Need Theory

- **Need for Achievement**

The desire to excel and succeed

- **Need for Power** –

The need to influence the behavior of others.

- **Need for Affiliation –**

The desire for interpersonal relationship

- **Herzberg’s Motivation-Hygiene Theory**

Job satisfaction and job dissatisfaction are created by different factors.

Hygiene factors- Extrinsic (Environmental) factors that create job dissatisfaction.

Motivation Factors- Intrinsic (Psychological) factors that create job satisfaction.

Attempted to explain why job satisfaction does not result in increased performance

The opposite of satisfaction is not dissatisfaction but rather no satisfaction.

Motivation–Hygiene Theory of Motivation

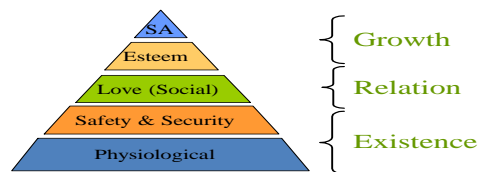
- Company policy & administration
 - Supervision
 - Interpersonal relations
 - Working conditions
 - Salary
 - Status
 - Security

Hygiene factors

Motivation factors

- Achievement
 - Achievement recognition
 - Work itself
 - Responsibility
 - Advancement
 - Growth
 - Salary?

Alderfer’s ERG Theory



| | | |
|--|--|--|
| | | |
|--|--|--|

| | | |
|--|--|--|
| | | |
|--|--|--|

