

Internal Assessment Test 3 – January 2023

Question paper and Answer Scheme

18CS51 - Management and Entrepreneurship for IT industry

Question Paper

USN



Internal Assessment Test 3 – January 2023

Sub:	Management and Entrepreneurship for IT industry					Sub Code:	18CS51	Branch:	ISE			
Date:	19/01/2023	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 significance and contents of project report.							10	2	L2		
2)	Illustrate the steps involved in establishing Micro and Small-Scale industries.							10	3	L2		
3)	Explain MSME-DI and NSIC.							10	3	L2		
4)	Explain all functional areas of Management with respect to ERP.							10	2	L2		
5)	Explain the steps involved in report writing.							10	2	L2		
6)	Assume that you are going to have a start-up for food online delivery. What are the factors involved in identification and selection of this start-up project.							10	2	L3		

Faculty Signature
Signature

CCI Signature

HOD

Answer scheme

1. Explain the significance and contents of project report.

[10 marks] [CO2] [RBT-L2]

Significance of project report:

It helps an entrepreneur judge the profitability of a given enterprise proposal. If it reveals a proposal to be unviable, the Entrepreneur will avoid a grave error of investing in an Unsound Venture.

It is the basis for a Development Bank to sanction Long Term Financial Assistance & a Commercial Bank to provide Working Capital Assistance

It aids the process of firming up Technical Arrangement, Choosing a Location, Selecting Plant & Machinery, Determining Man Power, & Utility needs etc. required for Project Implementation.

It generates a Knowledge Base for the Entrepreneur concerning such diverse facets as Structure of Enterprise – Industry, Market, Raw Material supply & Technology etc.

It educates the Entrepreneur regarding the Degree of Risk underlying the Enterprise Proposal.

It brings into sharp focus the Key Performance Determinants in the chosen line of Business & thus makes the Entrepreneur realize the need to pay special attention to such determinants.

Contents of project report:

General Information:

Information on Product Profile & Product Details.

Promoter(s):

His / Her / Their Educational Qualification, Work Experience , Project related experience, special achievements.

Location:

Exact proposed location of the Project, lease or freehold, locational advantages.

Land & Building:

Land areas, built up area, type of construction, cost of construction, detailed plan & cost estimate along with Plant layout.

Plant & Machinery:

Details of Machinery required, Capacity, Suppliers, Cost, Various Alternatives Available, Cost of other Miscellaneous Assets.

Production Process:

Description of Production Process, Process Chart, Technical Know How, Technology Alternatives Available, Production Programme etc.

Utilities:

Water , Power, Steam, Compressed Air Requirements, Fuel, Coal / Oil etc., Cost Estimates, Sources of Utilities.

Transport & Communication:

Mode, its associated Costs.

Raw Material:

List of Raw Materials reqd by Quality & Quantity , Sources of Procurement, Cost of Raw Materials, Tie Up Arrangements, if any , for Procurement of Raw Materials, Alternative Raw Materials , if any.

Man Power:

The Requirement such as Skilled, Semi-Skilled, & UnSkilled (Helpers), Places of Manpower Availability, requirement of Training & its Cost.

Products:

Product Mix, Product Standard, Estimated Production & Sales Figures, Alternative Product Substitutes, if any.

Market:

End – Users of Products, Distribution of Market as Local, National, International, Trade Practices, Sales Promotion devices etc.

Requirement of Working Capital:

Working Capital Required, Sources of Working Capital, need for Collateral Security, Nature & extent of Credit facilities offered & available.

Requirement of Funds:

Break up of Total Project Cost in terms of Costs of Land, Building, Plant & Machinery, Misc. Fixed Assets, Preliminary & Pre -Operative Expenses, Contingencies & Margin Money for Working Capital, Financial Arrangements for meeting the Cost of Setting up of the Project.

2. Illustrate the steps involved in establishing Micro and Small-Scale industries.

[10 marks] [CO3] [RBT-L2]

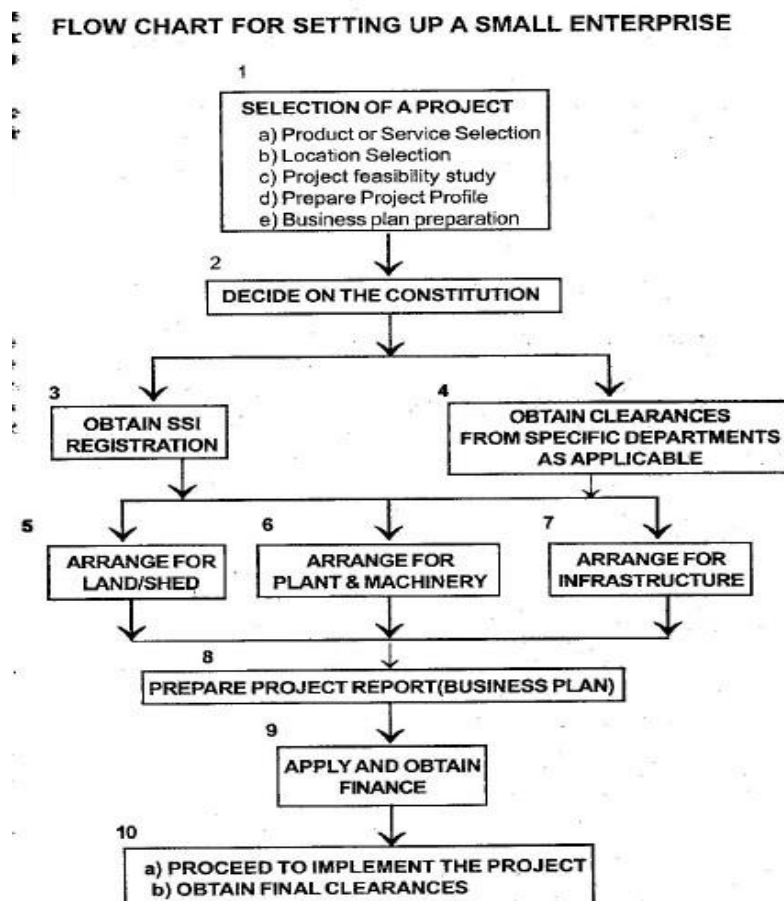


Fig 6.2 Flow Chart for setting up a small enterprises

The Project Selection & the Preliminary Activities involve the following:

- a) Product or Service Selection.
- b) Location Selection.
- c) Project Feasibility Study.
- d) Preparation of Project Profile.
- e) Business Plan Preparation.

Product or Service Selection:

The main factors to be considered in deciding a suitable project are as follows :

Nearness or Proximity to Market.

Availability of Raw Materials.

Availability of Transformation & Communication Facilities.

Availability of Govt Incentives / Concessions.

Govt Industrial Policy.

Availability of suitable Infrastructural facilities.

Availability of Labor.

Convenience for the Entrepreneur's.

Business Plan Preparation:

This is a Document where the Entrepreneur plans his business to have an Organized & effective response to a situation which may arise in future.

A Business Plan is used to make Crucial Start up decisions to reassure Lenders, Investors, to measure operational progress ; to Test Planning Assumptions ; to Adjust Forecasts; & to set the standard for good Operational Management.

Decide on the Constitution:

To start any Enterprise, the Promoters have to decide on the Constitution of the Unit. There are 3 Major Alternatives:

- a) Proprietary
- b) Partnership
- c) Company.

In fact, this has to be decided at the initial stages of the Project & necessary formalities should be completed by the time the application for Provisional Registration Certificate (PRC) is made to DIC (District Industries Centre).

Obtaining SSI Registration:

Entrepreneurs desiring to start a Small Enterprise have to initially obtain a PRC(Provisional Registration Certificate). Once the Unit goes into Production, the PRC has to be converted into a Permanent Registration Certificate (PMT).

Specific Clearances:

There are a number of Statutory Clearances required to start Micro & Small Enterprises.

Some of them are given below:

Agricultural Land Conversion into Non – Agricultural Land (NA Conversion).

Building Plan approved by the Local Authorities.

Factories Act & Labour Dept.

Trade License from the Local Authorities.

Pollution Control Board Clearances.

Food Adulteration Act License.

Land or Shed Selection:

For any Industrial Project, suitable Industrial Site or a ready Industrial shed is reqd. The Promoters of the Unit could consider taking an Industrial Site & constructing a shed as per their requirement, alternatively, could consider taking a ready Industrial Shed on Ownership Basis also.

Plant & Machinery:

This requirement for a Particular Project could be purchased from recognized manufacturer's / dealers. This could also be taken on Hire Basis operated by National Small Industries Corporation Limited (NSIC).

Infrastructure Facilities:

For Micro or Small Enterprises the main infrastructure facilities are Land or Shed for the Project , Power Connection , Water Supply & Telephone & Internet Facility.

Project Report:

A detailed Project Report provides such a plan for the Project. The Report is useful to the Entrepreneur for Planning & Implementing the Project. This is essential for Obtaining Finance & other clearances for the Project.

For any New Project or Enterprise to be set up, Proper Planning is necessary.

A detailed Project Report provides such a plan for the Project. The Report is useful to the Entrepreneur for Planning & Implementing the Project. This is essential for Obtaining Finance & other clearances for the Project.

In fact, the Project Report gives a detailed insight of the Techno – Economic Viability of the Project.

Implementation of the Project:

The Entrepreneurs will have to take necessary steps to physically implement the Project after obtaining the various Licenses, Clearances, Infrastructural Facilities etc.

Following are the Major Activities that the Entrepreneurs have to undertake for implementing the Project:

Construct Shed

Order for Machinery

Recruit Personnel

Arrange for Raw Materials

Marketing

Obtain Final Clearances

3. Explain MSME-DI and NSIC.

[10 marks] [CO3] [RBT-L2]

MSME Board:

Micro, Small and Medium Enterprises Board.

Headed by Ministry of Micro, Small and Medium Enterprises.

There are 30 MSME DI's and 28 branch MSME development institutes set up in state capitals and industrial cities.

Objective:

To facilitate coordination & inter institutional linkages among various ministries, banks, financial institutions etc.

The following are the functions:

- Entrepreneurship development programmers
- Motivational campaigns
- Production index
- Management development programmes
- Energy conservation
- Pollution control
- Quality control and upgradation
- Export promotion
- Ancillary development
- Common facility workshop/labs
- Preparation of directory of specific industry
- Intensive technical assistance
- Coordination with district industries centers
- Linkage with state government functionaries
- Market surveys
- Assistance/consultancy to prospective entrepreneurs
- Assistance/consultancy rendered to existing units
- Preparation of state industrial profiles
- Preparation/updation of district industrial potential surveys
- Project profiles

NSIC Board:

National Small Industries Corporation Ltd.

Oldest agencies

Established in 1955

Enterprise under Union Ministry of Industries

Provides wide range of services, predominantly promotional in character to SSI

Nature of support

Wide ranging industrial input.

Objectives:

To promote, aid foster the growth of SSIs in country with a focus on commercial aspects.

To enable the SSI to gain competitive advantage & to contribute effectively to the development of the economy.

To evolve special schemes to meet the needs of handicapped, SC & ST entrepreneurs.

Functions:

To provide machinery on hire purchase Scheme to SSIs

To promote govt orders for SSI

To develop SSIs as ancillaries to large units

To import & distribute scarce & rare raw material

To undertake construction of industrial estates

To help exporting products of SSIs

To develop prototype of machineries & equipment

4. Explain all functional areas of Management with respect to ERP.

[10 marks] [CO2] [RBT-L2]

The following are the functional areas of management:

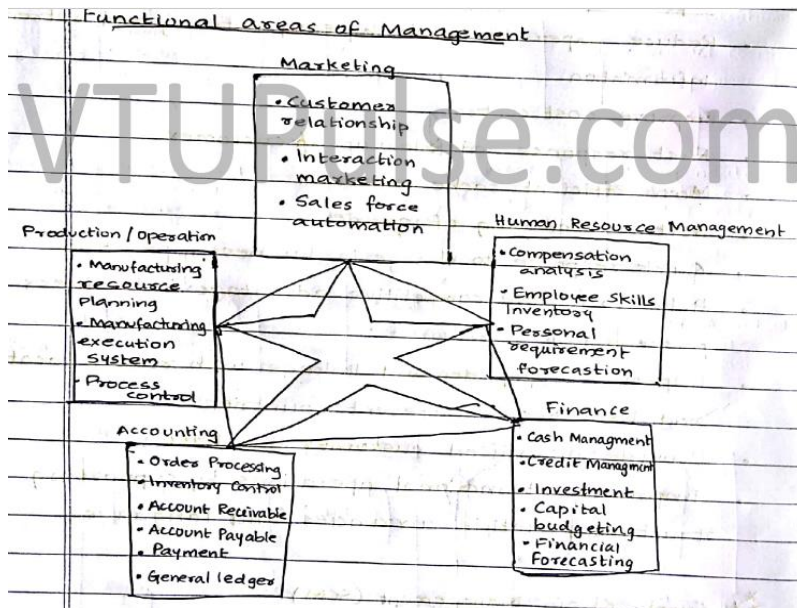
Marketing and Sales (M/S)

Supply Chain Management (SCM)

Accounting and Finance (A/F)

Human Resources (HR)

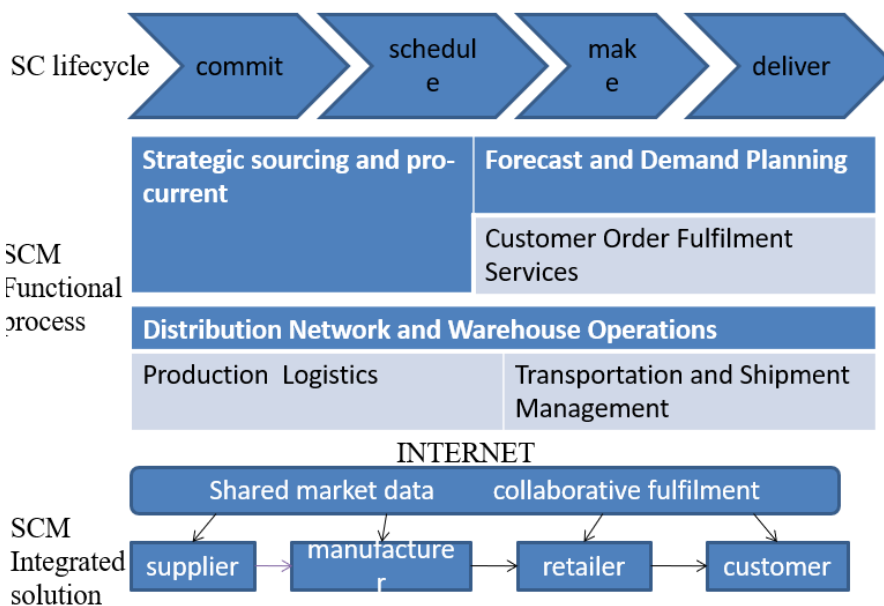
Functional area of operation	Marketing and Sales	Supply Chain Management	Accounting and Finance	Human Resources
Business functions	Marketing a product	Purchasing goods and raw materials	Financial accounting of payments from customers and to suppliers	Recruiting and hiring
	Taking sales orders	Receiving goods and raw materials	Cost allocation and control	Training
	Customer support	Transportation and logistics	Planning and budgeting	Payroll
	Customer relationship management	Scheduling production runs	Cash-flow management	Benefits
	Sales forecasting	Manufacturing goods		Government compliance
	Advertising	Plant maintenance		



Functions of Marketing and Sales:

- Developing products
- Determining pricing
- Promoting products to customers
- Helping create a sales forecast

Supply Chain Management:



Supply chain management (SCM) is the active management of supply chain activities to maximize customer value and achieve a sustainable competitive advantage.

It represents a conscious effort by the supply chain firms to develop and run supply chains in the most effective & efficient ways possible.

Supply chain activities cover everything from product development, sourcing, production, and logistics, as well as the information systems needed to coordinate these activities.

Needs information from various functional areas

Production plans based on information about product sales (actual and projected) that comes from Marketing and Sales

With accurate data about required production levels:

Raw material and packaging can be ordered as needed.

Inventory levels can be kept low, saving money.

Functions of Human Resources:

Recruit, train, evaluate, and compensate employees.

HR uses sales forecasts developed by the individual departments to plan personnel needs.

Systems integrated using ERP software provide the data sharing necessary between functional areas.

Functions within Accounting and Finance:

Recording raw data about transactions (including sales), raw material purchases, payroll, and receipt of cash from customers.

Raw data: Numbers collected from sales, manufacturing and other operations, without any manipulation, calculation, or arrangement for presentation.

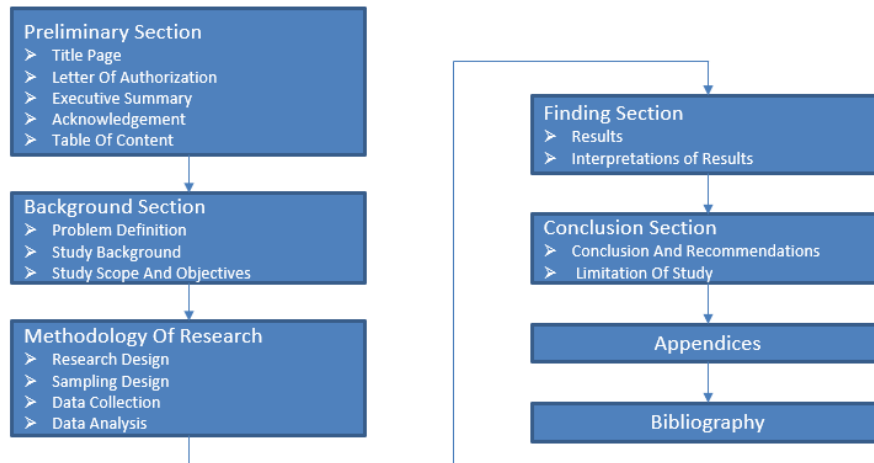
Data from Accounting and Finance used by Marketing and Sales and Supply Chain Management:

- Sales records are important component of sales forecast.
- Sales forecast is used in making staffing decisions and in production planning.
- Records from accounts receivable used to monitor the overall credit-granting policy of the coffee shop.

5. Explain the steps involved in report writing.

[10 marks] [CO2] [RBT-L2]

The following are the steps involved in report writing:



Preliminary Section:

This section mainly consists of identification information for the study conducted. It has the following individual elements:

- a) **Title Page** - The title should be crisp and indicative of the nature of the project.
- b) **Letter Of Authorization** - The author of this letter is the business manager who formally gives the permission for executing the project. The tone of this letter, unlike the above document, is very precise and formal.
- c) **Table Of Contents** - All reports should have a section that clearly indicates the division of the report based on the formal areas of the study as indicated in the research structure.
- d) **Executive Summary** - The summary of the entire report, Starting from the scope and objectives of the study to the methodology employed and the results obtained, has to be presented in a brief and concise manner.
- e) **Acknowledgement** - A small note acknowledging the contribution of the respondents, the corporates and the experts who provided inputs for accomplishing the study is included here.
- f) **Main Report** – This is the most significant and academically robust part of the report.

Background Section:

- a) **Problem Definition** – This section begins with the formal definitions of the research problem.
- b) **Study Background** – Study background essentially begins by presenting the decision-makers’ problem and then moves on to a description of the theoretical and contemporary market data that laid the foundation that guided the research.
- c) **Study Scope And Objectives** – The logical arguments then conclude in the form of definite statements related to the purpose of the study.

Methodology Of Research:

This section would essentially have five to six sections specifying the details of how the research was conducted. These would essentially be:

a) Research Framework or Design – The variables and concepts being investigated are clearly defined, with a clear reference to the relationship being studied. The justification for using a design also must be presented here.

b) Sampling Design – The entire sampling plan in terms of the population being studied, along with the reasons for collecting the study-related information from the given group is given here.

c) Data Collection Methods – In this section, the researcher should clearly list the information needed for the study as drawn from the study objectives stated earlier. The secondary data sources considered and the primary instrument designed for the specific study are discussed here.

d) Data Analysis – The assumptions and constraints of the analysis need to be explained here in simple, non-technical terms.

Finding Section:

a) Study Results and Findings – This is the most critical chapter of the report and requires special care; it is probably also one of the longest chapters in the document.

b) Interpretation Of Results and Suggested Recommendations – This section comes after the main report and contains interpretations of results and suggested recommendations. It presents the information in a summarized and numerical form.

Appendices:

The appendix section follows the main body of the report and essentially consists of two kinds of information:

Secondary information like long articles or in case the study uses is based on refers to some technical information that needs to be understood by the reader; long tables or articles or legal or policy documents.

Primary data that can be compressed and presented in the main body of the report. This includes original questionnaire, discussion guides, formula used for the study, samples details, original data, long tables and graphs which can be described in statement form in the text.

Bibliography:

This is an important part of the final section as it provides the complete details of the information sources and papers cited in a standardized format.

6. Assume that you are going to have a start-up for food online delivery. What are the factors involved in identification and selection of this start-up project.

[10 marks] [CO2] [RBT-L3]

For any project to be executed it needs to undergo various process of identification and selection.

The following are the steps involved in the identification of online food delivery system:

Idea generation:

Since we know that the market has already many online food delivery application, in order to start one we can get idea from already existing product and try improvising on it.

We can get ideas from the following:

- Government policies and schemes.
- Magazines and articles.
- Already successful entrepreneur.
- We can study the market and open up startup in a location where other products have not reached.
- Build a substitute product.
- Through advertisement.

Once we have generated a particular idea, selection process is done to select the best and suitable idea of project that would earn profit for the start-up.

The idea selected should be checked for SWOT analysis (Strength, Weakness, Opportunity and Threat).

The following are the steps involved in the selection of online food delivery system:

Requirement or investment size:

We need to see the amount that need to be invested in food online delivery system.

A good decision needs to be made by making a small capital in investment initially. Once the business starts getting profit then large investment can be made.

Location:

Selection of the location is very important i.e. if we start a food startup in a location where already many company runs or a location which doesn't have many hotels and there is no possibility of setting up the business then it may cause a loss to project.

Manpower:

As it is online food delivery startup, we will require many skilled and unskilled labor, technical staffs to handle the application and website.

Raw material and resource:

For online food delivery system we need to connect with many nearby restaurants and people who are linked to the website or app. So the required resources are to be checked for.

Capital or finance:

We need to see if there are any sources of financial or capital assistance to start with the project. We have to check if for such projects are there investment given by bank, bank loans or any entrepreneur are willing to provide partnership.

Utilities:

For people working in the startup we need to see if the location of the project has the required utilities like water, shelter, electricity and internet.