

CBCS SCHEME

18CS51

Fifth Semester B.E./B.Tech. Degree Examination, Jan./Feb. 2023 Management and Entrepreneurship for IT Industry

Time: 3 hrs.

Max. Marks: 100

Note: Answer any FIVE full questions, choosing ONE full question from each module.

Module-1

- 1 a. What is Management? List the functional areas of management and explain any two in detail. (10 Marks)
- b. Explain in detail levels of management. (06 Marks)
- c. Briefly describe importance of Staffing. (04 Marks)

OR

- 2 a. Discuss the importance of planning Briefly explain the general steps involved in planning. (10 Marks)
- b. Explain any two Management Approaches. (06 Marks)
- c. Write a difference between Formal and Informal organization. (04 Marks)

Module-2

- 3 a. What is Motivation? Explain Maslow's Need Hierarchy theory of Motivation. (10 Marks)
- b. Differentiate between co-ordination and co-operation. (06 Marks)
- c. Write a difference between Manager and a Leader. (04 Marks)

OR

- 4 a. Define Control. Briefly explain the methods of establishing control. (10 Marks)
- b. What are the merits and demerits of Herzberg's two factor theory? (06 Marks)
- c. List the characteristics of Direction. (04 Marks)

Module-3

- 5 a. Define Entrepreneur. Explain the functions of entrepreneur. (10 Marks)
- b. Briefly describe the stages in entrepreneurial process. (06 Marks)
- c. Write the differences between Entrepreneurs and Intrapreneurs. (04 Marks)

OR

- 6 a. Explain different types of entrepreneurs along with classifications. (10 Marks)
- b. What are the barriers of an entrepreneur? (06 Marks)
- c. Write the differences between Entrepreneur and Manager. (04 Marks)

Module-4

- 7 a. Define the meaning of Project. Explain in detail the various ways of Project Identification. (10 Marks)
- b. Briefly describe the contents of Project Report. (06 Marks)
- c. List the different sequential stages for formulation of Project Report. (04 Marks)

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OR

- 8 a. Define ERP? Explain the importance and need of a ERP. (10 Marks)
b. Write short notes on functional areas of management of ERP. (06 Marks)
c. List the planning commission guidelines for preparing industrial projects. (04 Marks)

Module-5

- 9 a. Explain the steps involved in establishing Micro and Small enterprise. (10 Marks)
b. Discuss the case study of air Deccan (Captain G.R. Gopinath). (06 Marks)
c. What is Patent? List different types of Patent. (04 Marks)

OR

- 10 a. Explain the following : (10 Marks)
i) KIADB
ii) KSSIDC
iii) NSIC
iv) KSFC
v) DIC. (06 Marks)
b. Discuss the case study of Infosys – N.R. Narayana Murthy. (06 Marks)
c. List the advantages of Micro and Small enterprises. (04 Marks)

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1a. What is management? List the functional areas of management and explain any two in detail.

Management can be defined as the process consisting of planning, organizing, actuating, and controlling performed to determine and accomplish the use of people and resources.

The four functional areas of management are: Planning, organizing, actuating and controlling.

Planning is a function that determines in advance what should be done which is looking ahead and preparing for the future. It is a process of determining the objectives and charting out the methods of attaining those objectives. It is determination of what, where and how it is to be done and how the results are to be evaluated. It is done for the organization as a whole but every division, department or subunit of the organisation. It is a function which is performed by the managers at all levels-top (which may be as long as five years), middle (shorter may be week) and supervisory.

Organizing and staffing is a function which may be divided into two main sections namely the human organization and material organization. Once the plans have been developed and the objectives established, they must design and develop a human organization to carry out plans successfully. It may define as a structure which results from identifying and grouping work, defining and delegating responsibility and authority and establishing the relationships. Staffing is also considered an important function in building the human organization involves building the right person for the right job. Fixes responsibility for a manager to find the right person for the right job and ensures enough manpower for the various positions needed for the organization which involves selection and training of future managers and suitable system of compensation. Different objectives require different kinds of organizations.

b. Explain in detail the levels of management

In any organization, there are three levels of management the first-line, middle and top level managers. First-line management: is made up of foreman and white collared supervisors.

Middle management: consists of vast and diversified group consisting plant managers, personnel managers and department heads.

Top management: consists of board chairman, the company presidents, and the executive vice presidents.

c. Briefly describe importance of staffing

Finding the right person for right position

Placement, Training and developing new skills required for present and future jobs.

Creating new positions.

Apprising the staff and planning their growth and promotion.

2a. Discuss the importance of planning. Briefly explain the general steps involved in planning.

Importance of planning:

1. Primacy of planning.
2. Uncertainty and minimizes risk.
3. Effective Control.
4. Focuses attention on objectives and result.
5. Increase organizational effectiveness.

Steps involved in planning:

1. Establishing objectives
2. Developing planning premises
3. Deciding the planning period
4. Determination of alternatives.
5. Evaluating and selecting the alternative
6. Formulating derivative planning.
7. Monitoring and controlling the process

Opportunities: we should be aware of it only then we can think of setting realistic objectives.

Establishing goals/objectives: The second step in planning process is to determine the enterprise objectives.

Developing planning premises: This is the third step in planning which involves establishing planning premises that is the conditions under which planning activities will be undertaken.

Identification of alternatives: particular objective can be achieved through various actions. For example an organization's objective is to grow further which can be achieved in several ways like expanding in the same field of business or product line, diversifying in other areas, joining hands with other organization.

Evaluation and selection of alternative: evaluate the alternatives in the light of the premises and goals and to select the best course or courses of action. Software packages are available for evaluating alternatives.

Formulating derivative plans: Selected plans must be translated into programs.

Monitoring and controlling the process: process of controlling is a part of any plan.

2b. Explain any two management approaches.

Behavioural approach

- The behavioural approach recognises the practical and situational constraints on human rationality for making decision.

- They also support democratic leadership styles.
- They consider organisations as group of individuals with certain goals.

Some of the Important Behavioural theories

- Leadership, communication and employee motivation and development

System Approach

- A System is defined as a set of independent parts together form a unitary whole that perform a defined task.
- A system interacts with outside environment is called open system and a system works in closed boundary is called closed system.

2c. Write a difference between Formal and Informal organization.

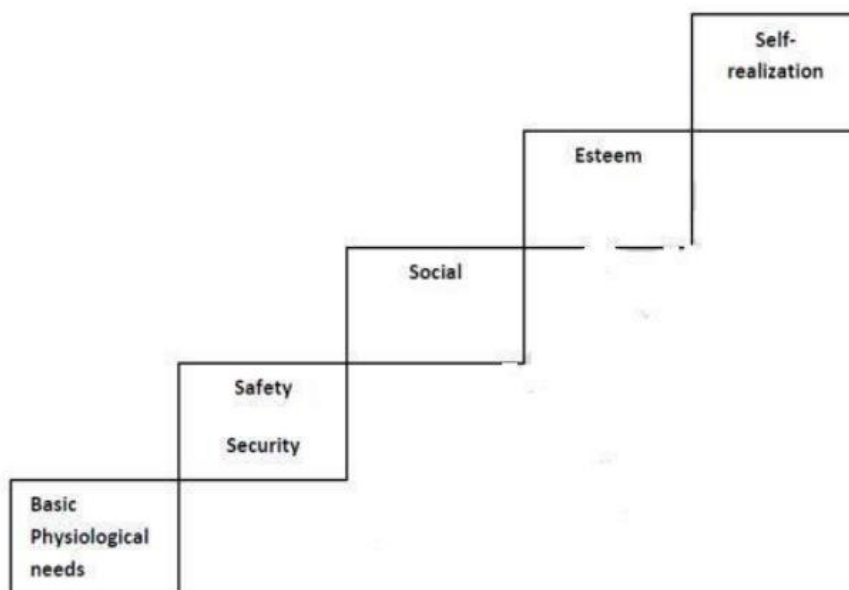
- **Formal organizations** :are officially formed with definite structure which describes authority and responsibility, relationship and behavior of organizational members.
- **Informal organization**: do not have any official recognition and they are formed due to the social interaction needs of the people resulting in different types of social networks.

3a. What is motivation. Explain Maslow's Need Hierarchy theory of Motivation.

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

Maslow's need hierarchy theory:

An unsatisfied need is the basis for the motivation process and the starting point and begins the chain of events leading to behaviour as shown in the figure below.



Order of priority of human needs begins with the person's unsatisfied need at the lowest level identification of the need develops in the form of as goal which leads to the fulfilment of the need to achieve the goal.

These needs are arranged in the form of a ladder of five successive categories as shown in the figure above.

(i)Physiological needs: Arise of the basic physiology of life like the need for food, water, air, etc which must be at least satisfied partially for continued survival.

(ii)Security needs: Needs to feel free from economic threat and physical harm which need protection from arbitrary lay-off and dismissal, disaster and avoidance of the unexpected.

(iii)Egoistic needs: are the needs which relate to respect and prestige the need for dominance for example. Can be classified as self-esteem and esteem from others. Self esteem is the need for worthiness of oneself and the esteem is the necessity to think others that he is worthy

(iv)Self-fulfilment needs: are the needs to realize ones potential that is realizing one's own capabilities to the fullest-for accomplishing what one is capable of to the fullest. example a musician must make music etc. According to Maslow, people attempt satisfy their physical needs first. as long as the needs are unsatisfied they dominate and after they become reasonably satisfied and progress to the next level and so on.

3b. Differentiate between co-ordination and co-operation.

Coordination is an orderly arrangement of group efforts to provide unity of action in the pursuit of common objectives. Coordination is a part of the management process.

Cooperation is the collective efforts of a group to accomplish particular objectives. It means mutual help willingly.

3c. Write a difference between Manager and a leader.

A manager tends to focus on controlling resources and optimising processes, while a leader focuses on inspiring and empowering people to work together towards a common goal.

Manager focuses on doing things right, leader focuses on doing the right things.\

4a. Define control. Briefly explain the methods of establishing control.

Control:

- A process of monitoring performance and taking action to ensure desired results.
- It sees to it that the right things happen, in the right ways, and at the right time.

Methods of establishing control:

- Establishment of control standards.
- Measurement of performance.
- Comparison between performance and standards.

- Correction of deviation from the standards.

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.

Measuring actual 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:

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

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.

Taking corrective actions:

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

Control actions:

- Review of plans and objectives 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.

4b. What are the merits and demerits of Herzberg's two factor theory.

Merits:

- Emphasis on Motivation from within
- Companies can focus on the problem of Employees.
- Money is Treated Secondary

Demerits:

- Job Satisfaction and Job Productivity not directly related.
- It can be Subjective
- Ignores External Factors

4c. List the characteristics of Direction.

1. Harmony of objectives.
2. Unit direction of command.
3. Direct supervision.
4. Effective communication.
5. Follow – through.

5a. Define Entrepreneur. Explain the functions of Entrepreneur.

An entrepreneur is an enterprising individual who builds capital through risk and/or initiative. The term was originally a loanword from French and was first defined by the Irish French economist Richard Cantillon. Entrepreneur in English is a term applied to a person who is willing to help launch a new venture or enterprise and accept full responsibility for the outcome. Jean- Baptiste Say, a French economist, is believed to have coined the word "entrepreneur" in the 19th century - he defined an entrepreneur as "one who undertakes an enterprise, especially a contractor, acting as intermediary between capital and labour".

Function of Entrepreneur:

1. Risk-bearing function, 2. Organizational function, 3. Innovative function, 4. Managerial function, and 5. Decision making function.

1. Risk-bearing function: The functions of an entrepreneur as risk bearer are specific in nature. The entrepreneur assumes all possible risks of business which emerges due to the possibility of changes in the tastes of consumers, modern techniques of production and new inventions. Such risks are not insurable and incalculable. In simple terms such risks are known as uncertainty concerning a loss. The entrepreneur, according to Knight, "is the economic functionary who undertakes such responsibility of uncertainty which by its very nature cannot be insured nor capitalised nor salaried too. " Richard Cantillon conceived of an entrepreneur as a bearer of non-insurable risk because he described an entrepreneur as a person who buys things at a certain price and sells them at an uncertain price. Thus, risk bearing or uncertainty bearing still remains the most important function of an entrepreneur which he tries to minimise by his initiative, skill and good judgement. J.B. Say and other have stressed risk taking as the specific function of the entrepreneur.

2. Organisational Function: Entrepreneur as an organiser and his organising function is described by J.B. Say as a function whereby the entrepreneur brings together various factors of production, ensures continuing management and renders risk-bearing functions as well. His definition associates entrepreneur with the functions of coordination, organisation and supervision. According to him, an entrepreneur is one who combines the land of one, the labour

of another and the capital of yet another and thus produces a product. By selling the product in the market, he pays interest on capital, rent on land and wages to labourers and what remains is his/her profit. In this way, he describes an entrepreneur as an organiser who alone determines the lines of business to expand and capital to employ more judiciously. He is the ultimate judge in the conduct of the business.

3. Innovative Function: The basic function an entrepreneur performs is to innovate new products, services, ideas and informations for the enterprise. As an innovator, the entrepreneur foresees the potentially profitable opportunity and tries to exploit it. He is always involved in the process of doing new things. According to Peter Drucker, "Innovation is the means by which the entrepreneur either creates new wealth producing resources or endows existing resources with enhanced potential for creating wealth". Whenever a new idea occurs entrepreneurial efforts are essential to convert the idea into practical application. J.A. Schumpeter considered economic development as a discrete dynamic change brought by entrepreneurs by instituting new combinations of production, i.e. innovation. According to him innovation may occur in any one of the following five forms. The introduction of a new product in the market with which the customers are not get familiar with. Introduction of a new method of production technology which is not yet tested by experience in the branch of manufacture concerned. The opening of a new market into which the specific product has not previously entered. The discovery of a new source of supply of raw material, irrespective of whether this source already exists or has first to be created. The carrying out of the new form of organisation of any industry by creating of a monopoly position or the breaking up of it.

4. Managerial Function: Entrepreneur also performs a variety of managerial function like determination of business objectives, formulation of production plans, product analysis and market research, organisation of sales procuring machine and material, recruitment of men and undertaking, of business operations. He also undertakes the basic managerial functions of planning, organising, coordinating, staffing, directing, motivating and controlling in the enterprise. He provides a logical and scientific basis to the above functions for the smooth operation of the enterprise thereby avoids chaos in the field of production, marketing, purchasing, recruiting and selection, etc. In large establishments, these managerial functions of the entrepreneur are delegated to the paid managers for more effective and efficient execution.

5. Decision Making Function: The most vital function an entrepreneur discharges refers to decision making in various fields of the business enterprise. He is the decision maker of all activities of the enterprise. A. H. Cole described an entrepreneur as a decision maker and attributed the following functions to him. He determines the business objectives suitable for the enterprise. He develops an organization and creates an atmosphere for maintaining a cordial relationship with subordinates and all employees of the organization. He decides in securing adequate financial resources for the organisation and maintains good relations with the existing and potential investors and financiers. He decides in introducing advanced modern technology in the enterprise to cope up with changing scenario of manufacturing process. He decides the development of a market for his product, develops new product or modify the existing product in accordance with the changing consumer's fashion, taste and preference. He also decides to maintain good relations with the public authorities as well as with the society at large for improving the firms image before others.

5b. Briefly describe the stages in entrepreneurial process.

The six steps are: 1) CONVICTION 2) IDEA 3) CONCEPT 4) VENTURE 5) BUSINESS 6) SUSTAINABLE BUSINESS

Stage 1: CONVICTION No matter the stage of the business when an individual begins his/her entrepreneurial journey, every entrepreneur must address his/her conviction to be an entrepreneur. This sounds trivial, but I believe it is the most important step in the process. It SHOULD be the first step; however, many entrepreneurs wait until the VENTURE stage to address it. This can lead to grave problems. In the CONVICTION stage, an entrepreneur needs to figure out if he/she has the conviction to withstand the fundamental issues of entrepreneurship.

Stage 2: IDEA The IDEA stage is the easiest stage. Everyone has an idea for a business. This is also the most fun stage because the cost is zero and the excitement level high. Of course, the IDEA stage is the basis for every other stage so it cannot be dismissed; however, as an entrepreneur, you should never confuse an "idea" for a "concept". As you will see in the next step, a concept has much more structure than an idea and subsequently warrants a different concerns and decision making.

Stage 3: CONCEPT As mentioned above, a concept is characterized by structure. In the CONCEPT stage, you take your idea and employ a certain intellectual rigor which includes: - Extensive market research - Development of the business model - Conceptualization of the type of the team required to execute - Engagement of informal and formal advisors

Stage 4: VENTURE This is the most challenging stage of the business and for many entrepreneurs the most fun...well at least in the beginning. The VENTURE stage is characterized by significant investment. This investment typically comes in two forms: money and time. In most cases, as the entrepreneur, it is "your" money and "your" time; and those can often be significant.

Stage 5: BUSINESS The BUSINESS stage is where all entrepreneurs strive to be. This is the stage where you have revenues that are commensurate with your expenses. Of course, there may be unprofitable months or years, but in general, the business can support itself with little outside capital. This is the stage where you are most likely to find investors. Stage 6: SUSTAINABLE BUSINESS Although most entrepreneurs are satisfied to build a Business, they should strive to become a Sustainable Business. There are unique challenges to creating a sustainable business and it can be defined in different ways. It is typically characterized by time. Ventures that last 10+ years may be thought of as sustainable; however, the real challenge is for a business to outlast the involvement of its founders. That is a more relevant definition of a sustainable business.

5c. Write the difference between Entrepreneurs and Intrapreneurs.

There are, of course, a few things that are different between Intrapreneurship and Entrepreneurship. For starters, the Intrapreneur acts within the confines of an existing organisation. The dictates of most organisations would be that the Intrapreneur should ask for permission before attempting to create a desired future - in practice, the Intrapreneur is more inclined to act first and ask for forgiveness than to ask for permission before acting. The

Intrapreneur is also typically the intra-organisational revolutionary – challenging the status quo and fighting to change the system from within. This ordinarily creates a certain amount of organisational friction. A healthy dose of mutual respect is required in order to ensure that such friction can be positively channelled. One advantage of Intrapreneurship over Entrepreneurship is that Intrapreneur typically finds a ready source of "free" resources within the organisation which can be Stages of Entrepreneurship.

6a. Explain the different type of entrepreneurs along with classification.

Social entrepreneur: A social entrepreneur is motivated by a desire to help, improve and transform social, environmental, educational and economic conditions. Key traits and characteristics of highly effective social entrepreneurs include ambition and a lack of acceptance of the status quo or accepting the world "as it is". The social entrepreneur is driven by an emotional desire to address some of the big social and economic conditions in the world, for example, poverty and educational deprivation, rather than by the desire for profit. Social entrepreneurs seek to develop innovative solutions to global problems that can be copied by others to enact change. Social entrepreneurs act within a market aiming to create social value through the improvement of goods and services offered to the community. Their main aim is to help offer a better service improving the community as a whole and are predominately run as nonprofit schemes. Zahra et al. (2009: 519) said that "social entrepreneurs make significant and diverse contributions to their communities and societies, adopting business models to offer creative solutions to complex and persistent social problems

Serial entrepreneur: A serial entrepreneur is one who continuously comes up with new ideas and starts new businesses. In the media, the serial entrepreneur is represented as possessing a higher propensity for risk, innovation and achievement.

Lifestyle entrepreneur: A lifestyle entrepreneur places passion before profit when launching a business in order to combine personal interests and talent with the ability to earn a living. Many entrepreneurs may be primarily motivated by the intention to make their business profitable in order to sell to shareholders [examples needed] In contrast, a lifestyle entrepreneur intentionally chooses a business model intended to develop and grow their business in order to make a long-term, sustainable and viable living working in a field where they have a particular interest, passion, talent, knowledge or high degree of expertise. A lifestyle entrepreneur may decide to become self employed in order to achieve greater personal freedom, more family time and more time working on projects or business goals that inspire them. A lifestyle entrepreneur may combine a hobby with a profession or they may specifically decide not to expand their business in order to remain in control of their venture. Common goals held by the lifestyle entrepreneur include earning a living doing something that they love, earning a living in a way that facilitates self-employment, achieving a good work/life balance and owning a business without shareholders. Many lifestyle entrepreneurs are very dedicated to their business and may work within the creative industries or tourism industry,[7] where a passion before profit approach to entrepreneurship often prevails. While many entrepreneurs may launch their business with a clear exit strategy, a lifestyle entrepreneur may deliberately and consciously choose to keep their venture fully within their own control. Lifestyle entrepreneurship is becoming increasingly popular as technology provides small business owners with the digital

platforms needed to reach a large global market. Younger lifestyle entrepreneurs, typically those between 25 and 40 years old, are sometimes referred to as Treps.

Cooperative entrepreneur: A cooperative entrepreneur doesn't just work alone, but rather collaborates with other cooperative entrepreneurs to develop projects, particularly cooperative projects. Each cooperative entrepreneur might bring different skill sets to the table, but collectively they share in the risk and success of the venture.

6b. What are the barriers of an entrepreneur.

Personal barrier:

- Lack of confidence, Motivation, Patience.
- Dependability.

Environmental barrier:

- Raw Materials, Labours, Machinery, Land and Building, etc.
- Financial Barriers.
- Other infrastructure requirements.

Societal barrier:

- Need to overcome External pressures.
- Graduates prefer to “get a real Job”.
- Need to raise awareness of the option of starting a business.

6c. Write the difference between Entrepreneur and Manager.

Entrepreneur	Manager
Own boss	Salaried employee
Takes own decision	Executes the decision of the owner
Hires employees	He is an employee
Uncertain rewards, which can be unlimited	Fixed rewards and salary

7a. Define the meaning of Project. Explain in detail the various ways of Project Identification.

A Project can be defined as a Scientifically evolved work plan devised to achieve a specific objective within a specified period of time.

Various ways of Project Identification:

Establishing yourself as a successful entrepreneur depends to a great extent upon choosing a Good Project or Idea.

That idea must not only be good for the Market but also be good for the Project & good for the Entrepreneur. Most important, the idea should give satisfying results.

The Project Ideas can be discovered from various internal & external sources. These may include:

- Knowledge of Potential Customer Needs.
- Watching Emerging Trends in Demand for certain Products / Services & their market size & potential.
- Scope for producing substitute products which is economical & having better features.

Going through various Professional Magazines / Journals catering to specific interests like Computers, Electronics & Telecommunication, Mech, Electrical, Chemicals, etc.

Success Stories of Known Entrepreneurs or friends or relatives.

Visiting National & International Trade Fairs & Exhibitions displaying New Products & Services.

Meeting Technical / Industrial Consultants.

New Product(s) introduced by other enterprises

7b. Briefly describe the contents of Project report.

The following are the contents of project report:

a) **General Information** :

Information on Product Profile & Product Details.

b) **Promoter(s)** :

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

c) **Location** :

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

g) **Land & Building** :

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

h) **Plant & Machinery** :

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

i) **Production Process** :

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

j) **Utilities** :

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

h) **Transport & Communication** : Mode, its associated Costs.

i) **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.

j) **Man Power** :

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

k) **Products** :

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

l) **Market** :

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

m) **Requirement of Working Capital** :

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

n) **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.

7c. List the different sequential stages for formulation of Project report.

- Feasibility analysis
- Techno-economic analysis
- Project design & network analysis
- Input analysis
- Financial analysis
- Social cost benefit analysis
- Project appraisal/Pre-investment analysis

8a. Define ERP. Explain the needs and importance of ERP.

Enterprise Resource Planning (ERP) is an enterprise backbone that integrate

1)Business operation

2)Information system

Within the manufacturing, logistics, distribution, accounting, finance of human resources

Needs and importance of ERP:

Needs

- ERP provides integration of system not only across departments but also across companies under the same management
- ERP allows automatic introduction of latest technologies. Ex : internet, E-commerce etc
- ERP eliminates material storages, customer service, cash management, quality etc
- ERP provides intelligence business tools like support system, executive information system and easy working system to enable better decisions.

Importance

- Reduces paper document by easy entering and retrieving information.
- Improve cost control
- Fast response and follow up of customer.
- More efficient cache collection.
- Better monitoring of queries.
- Quick response to change in business operation.

8b. Write short notes on functional areas of management of ERP.

Marketing and Sales (M/S)

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

Supply Chain Management (SCM)

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

Accounting and Finance (A/F)

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

Human Resources (HR)

- 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.

8c. List the planning commission guidelines for preparing industrial project.

- General information
- Preliminary Analysis of alternatives
- Project Description
- Marketing plan
- Capital requirements and costs
- Financial Analysis
- Economic Analysis
- Miscellaneous aspects

9a. Explain the steps involved in establishing Micro and Small Enterprise.

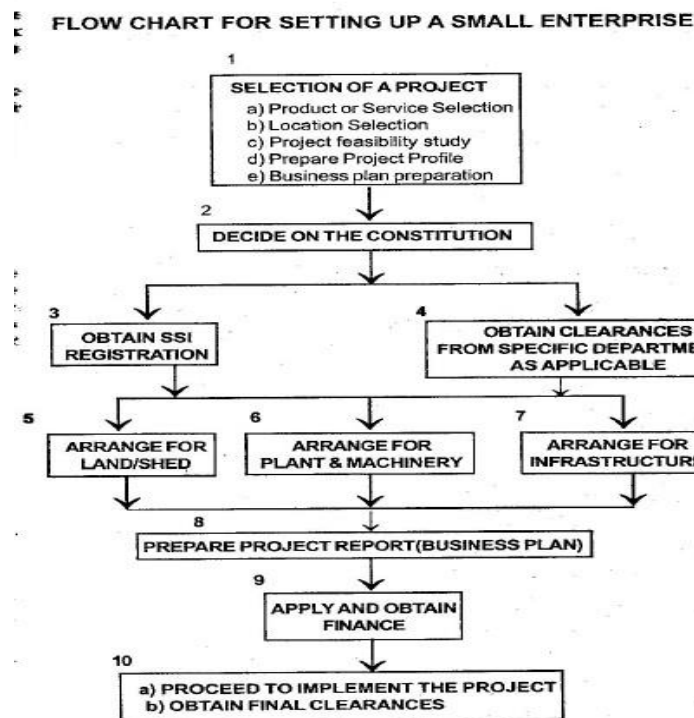


Fig 6.2 Flow Chart for setting up a small enterprises

The Project Selection & the Preliminary Activities involve the following :

- Product or Service Selection.
- Location Selection.
- Project Feasibility Study.
- Preparation of Project Profile.
- Business Plan Preparation.

a) **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.

2) **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).

3) **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**).

4) **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 & Labor Dept.
- Trade License from the Local Authorities.
- Pollution Control Board Clearances.
- Food Adulteration Act License.

5) **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.

6) **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*).

7) **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.

8) **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.

9) **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

9b. Discuss the case study of air Deccan (Captain G.R. Gopinath).

Gopinath was born in Gorur (a remote village in Karnataka's Hassan district) on 13 November 1951. Gorur Ramaswamy Iyengar Gopinath is an Indian entrepreneur, the founder of Air Deccan, a retired Captain of the Indian Army, an author, and a politician. He comfortably shifted into different positions: an Army Officer, India's leading business man, an independent political candidate, an eco- friendly farmer and a well known author. He is one of the most interesting person that one can come cross.

He is well known as a pioneer of low-cost airlines, a person who revolutionized the face of Indian aviation in the country. His book "Simply Fly" puts light on the remarkable journey of turning his ambitious vision into a successful business story. After school, he earned a commission in the Indian Army, earning the rank of Captain. He spent eight years in the army and fought in the 1971 Bangladesh Liberation War. He took early retirement from Indian Army, at the age of 28. Upon retirement from the armed forces, he established an ecologically sustainable sericulture farm. Next, he started the Malnad Mobikes (Enfield dealership) and opened a hotel in Hassan. In 1997 he co-founded Deccan Aviation, a charter helicopter service. In 2003 Gopinath founded Air Deccan, a low cost airline; Air Deccan merged with Kingfisher Airlines in 2007. In 2009 he founded Deccan 360, a freight flight business. In 2009 Gopinath unsuccessfully contested as an independent candidate in the Lok Sabha elections. In 2014, he unsuccessfully contested Lok Sabha elections on the ticket of Aam Aadmi Party.

Gopinath moved to Bengaluru in 1992 where he bumped into Captain K.J. Samuel, who was his friend in the army. Samuel was now a freelance pilot and was planning to set-up a commercial Helicopter service. In 1995, when the Indian government started a regulatory reforms process to encourage entrepreneurship, Gopinath partnered with Samuel and established Deccan Aviation. Deccan's helicopters were chartered by most politicians and the company also got involved in many rescue missions in Sri Lanka, Nepal, Kabul and south India. The Company grew to become one of the largest private air charter company in India and Sri Lanka. Inspired by the success of Southwest Airlines in the United States and Ryanair in Europe, Deccan Aviation launched India's first low-cost airline, Air Deccan in 2003 Deccan Aviation went public in May 2006, however by then the airline was losing money. The following year, the Vijay Mallya lead UB group purchased a strategic 26 per cent stake in Deccan Aviation. At the time of purchase, Air Deccan connected sixty-nine cities around India. Mallya merged the two airlines soon after and Capt. Gopinath sold most of his stake in the company in 2009.

During the merger process of Kingfisher with Air Deccan, the Charter services division of Deccan Aviation was transferred into a new company named Deccan Charters Limited after it received its Non-Scheduled Air Operator Permit (NSOP) from the DGCA on 10 October 2008. During that period, the Charter operations continued to perform satisfactorily and increased its presence in off shore flying for the oil sector.

Gopinath used the money from the UB Group deal to start Deccan 360, a cargo airline, in May 2009. But that enterprise too was squeezed by a severe cash crunch and shut shop in 2011. The same year, Gopinath became the 100% owner of Deccan Charters by purchasing the stake Mallya held in the company as part of the 2007 deal. The following year, Gopinath launched daily charter flights in the state of Gujarat under the brand name of Deccan Shuttles. The flights connected Ahmedabad, Surat, Jamnagar, Bhavnagar and Kandla using a nine-seater Cessna Grand Caravan aircraft. The service wound up in 2013. In April 2017, Deccan charters bid for and won 34 regional Indian routes under the UDAN scheme. Operating under the brand name Air Deccan, it will commence operations in December 2017 with flights between Mumbai and Nashik. Air Deccan will operate 19-seater Beechcraft 1900D turboprop aircraft that are suitable for short-haul flights. The airline has plans to connect Delhi, Mumbai, Kolkata and Shillong to regional towns in the vicinity of these cities.

Captain Gopinath has been an important face of India aviation. His business ideologies transformed the airline sector into a thriving and profitable sector. Today, a airline is no more restricted to just an elite group of people but has become a affordable and feasible transportation means in the country. Captain Gopinath's contributions has won him several accolades, some of them have been the Rolex Awards for Enterprise, Rajyotsava Award, Chevalier de la legion d'Honneur, Personality of the Decade Award and Sir M Visvesvaraya Memorial Award.

9c. What is patent. List the different types of patent.

A patent is an exclusive right granted for an invention – a product or process that provides a new way of doing something, or that offers a new technical solution to a problem. A patent provides patent owners with protection for their inventions. Protection is granted for a limited period, generally 20 years.

There are 3 types of patent. They are:

- Utility patent
- Design patent
- Plant patent

10 a. Explain the following:

- i. KIADB
- ii. KSSIDC
- iii. NSIC
- iv. KSFC
- v. DIC

KIADB:

Karnataka Industrial Areas Development Board was Established in 1966 and has Headquarters @ Bangalore with 9 zonal offices

Its Objectives are:

- To establish industrial area
- To provide infrastructural facilities
- To assist implementation of govt policies.
- To function on No profit No loss basis

To acquire lands for industrial activity & form industrial area with infrastructure facilities like road, electricity, water supply etc. acquires and provides developed land suited for industrialization, by drawing up well laid-out plots of varying sizes to suit different industries with requisite infrastructure facilities. Banks, post offices, fire stations, police outposts, ESI dispensaries etc are also provided.

KSSIDC:

- Karnataka State Small Industries Development Corporation Ltd.
- Established on 29th April 1960

Nature of support

- Infrastructure & Industrial Inputs

Objectives

- To assist SSI in procurement of raw material
- Rapid development of SSI

Functions:

- Establishment and Management of Industrial Estates.
- Procurement and distribution of raw materials.
- Assistance towards marketing.
- Dissemination of information by participating in the internal and international exhibitions.
- Supply of machinery under Hire Purchase Scheme.
- Providing Guidance to SSI Entrepreneurs.
- Providing Technical Library facilities.

Projects handled by KSSIDC:

- Government Tool Room Training Centre (GTTC) was established at Industrial Estate Rajajinagar.
- An exclusive garment complex has been established at Rajajinagar
- Multi-storied complexes were established at Electronic City industrial estate Bommasandra to accommodate electronic industries and Software Technology units.
- ISI Complex at peenya established to test and certify the product manufactured by SSI units.
- Multi-storied Commercial Complex established at Industrial Estate Shimoga Multi storied Commercial Complex was established at Industrial Estate Gulbarga.
- Power loom sheds for KSPDC at Siguli was established.
- Morarji Desai Residential School Complexes at five places in Karnataka was established.

NSIC:

- 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

KSFC:

- Karnataka State Financial Corporation
- Established in 1951 through a State Financial Corp Act 1951
- KSFC has a branch office in each district
- Objectives
- Cater to financial requirements of small-scale units
- To extend medium & long-term credits to units

KSFC give preference to the projects which are

- Promoted by technician entrepreneur.
- In the small-scale sector.
- Located in growth centres and developing areas of the state;
- Promoted by entrepreneurs belonging to scheduled castes and scheduled tribes, backward classes and other weaker sections of society.
- Characterized by high employment potential.
- Capable of utilizing local resources; and
- In tune with the declared national priorities.

DIC:

- District Industries Centre
- Lunched in 1978
- 400 DIC"s in India
- Nature of Support
- Information & Consultancy Services, Industrial Inputs
- Objectives
- To promote cottage & SSI in rural area/small towns.
- To help entrepreneur with all information under 1 roof.
- To serve as an integrated administrative framework at district level for industrial development.

Functions:

- Surveys:
- Action Plan
- Appraisal
- Guidance
- Marketing
- R & D
- Training

10b. Discuss the case study of Infosys – N.R. Narayana Murthy

Nagavara Ramarao Narayana Murthy, better known as N.R. Narayana Murthy, is an Indian businessman and co-founder of INFOSYS. He is a living legend and an epitome of the fact that honesty, transparency, and moral integrity are not at variance with business acumen. He Stepped down as the Executive Chairman of Infosys at the age of 60. Born in MYSORE, KARNATAKA on 20 August 1946. Murthy graduated with a degree in electrical engineering from the NATIONAL INSTITUTE OF ENGINEERING, UNIVERSITY OF MYSORE in 1967. He received his master's degree from IIT KANPUR in 1969. Murthy's first job position was at IIM AHMEDABAD, where he worked as the chief systems programmer. After IIM AHMEDABAD, he started a company named Softronics in 1976. When that company failed, he joined PATNI COMPUTER SYSTEMS in PUNE. After settling down in Pune, Murthy founded INFOSYS in 1981 with an initial capital injection of Rs 10,000, which was invested by his wife SUDHA MURTHY.

Sudha Murthy is an Indian social worker and author. She began her professional career as a computer scientist and engineer. She is the chairperson of the INFOSYS FOUNDATION. He has been awarded the PADMA VIBHUSHAN by the Government of India. He is the first Indian winner of ERNST AND YOUNG'S World Entrepreneur of the year award. He was awarded the 2012 Hoover Medal and the James C. Morgan Global Humanitarian Award 2012 by The Tech Museum, California. He received the 2007 Ernst Weber Medal from the Institute of Electrical and Electronics Engineers (IEEE), USA.

He has about 25 honorary doctorates from universities in India and abroad. Infosys Technologies Limited is an Indian multinational provider of business consulting, technology, engineering, and outsourcing services. It is headquartered in BANGALORE, KARNATAKA. Infosys is the third largest INDIA based IT COMPANY by 2012 revenues. Of this revenue, the majority comes from international business. In 2009, Infosys collected 1.2% of its income from the domestic Indian market. There are 155629 employees worked in infosys(2012).

10c. List the advantages of Micro and Small enterprises.

