



Fifth Semester B.E./B.Tech. Degree Examination, Dec.2025/Jan.2026

Technological Innovation and Management

Entrepreneurship

Max. Marks: 100

Note: 1. Answer any FIVE full questions, choosing ONE full question from each module.
2. M : Marks , L: Bloom's level, C: Course outcomes.

Module – 1			M	L	C
Q.1	a.	Define Management. Explain the functions or process of management.	10	L2	CO1
	b.	Explain the various roles of manager.	10	L2	CO1
OR					
Q.2	a.	List and explain the various steps in planning.	10	L2	CO1
	b.	List and explain the various types of decisions.	10	L2	CO1
Module – 2					
Q.3	a.	Briefly explain the process of organizing.	10	L2	CO2
	b.	Describe the different steps in the selection procedure.	10	L2	CO2
OR					
Q.4	a.	Explain Herzberg's TWO-FACTOR-THEORY.	10	L2	CO2
	b.	Discuss the techniques of coordination in detail.	10	L2	CO2
Module – 3					
Q.5	a.	Illustrate the social responsibilities of business towards different groups.	10	L2	CO3
	b.	Discuss about corporate governance and benefits of good corporate governance.	10	L2	CO3
OR					
Q.6	a.	What are the characteristics of a successful entrepreneur?	10	L2	CO3
	b.	Illustrate the problems faced by entrepreneurs.	10	L2	CO3
Module – 4					
Q.7	a.	Discuss role of small scale industries along with Globalization and the WTO on SSL.	10	L2	CO4
	b.	Enumerate and list the external and internal problems faced by small-scale industries.	10	L2	CO4

BEC501					
OR					
Q.8	a.	Discuss how to generate business ideas.	10	L2	CO4
	b.	Explain how to identify a business opportunity in detail.	10	L2	CO4
Module – 5					
Q.9	a.	Explain the following: i) Financial plan ii) Marketing plan	10	L2	CO5
	b.	Discuss why do some business plan fail in detail.	10	L2	CO5
OR					
Q.10	a.	Discuss venture capital meaning in detail.	5	L2	CO5
	b.	Explain importance of network analysis.	5	L2	CO5
	c.	Explain the steps in PERT along with advantages and limitations of PERT.	10	L2	CO5

Module-1			Marks
Q.1	a	<p>Management is the process of planning, organizing, staffing, directing and controlling the efforts of people and the use of resources to achieve organizational goals efficiently and effectively.</p> <p>Functions / Process of Management</p> <p>Management is a continuous process consisting of five major functions:</p> <p>1. Planning</p> <p>Planning is deciding in advance what to do, how to do, when to do, and who is to do it.</p> <p>Key points:</p> <p>It is the primary function of management</p> <p>Involves setting objectives and goals</p> <p>Helps in reducing uncertainty and risk</p>	10

	<p>Includes policies, procedures, budgets, schedules</p> <p>Example: Deciding production targets for the year.</p> <p>2. Organizing</p> <p>Organizing is the process of arranging resources and tasks to achieve objectives.</p> <p>Key points:</p> <ul style="list-style-type: none"> Identifying activities to be performed Grouping activities into departments Assigning duties and responsibilities Establishing authority–responsibility relationships <p>Example: Creating departments like production, marketing, finance.</p> <p>3. Staffing</p> <p>Staffing is the function of recruiting, selecting, training and developing employees.</p> <p>Key points:</p> <ul style="list-style-type: none"> Manpower planning Recruitment and selection Training and development Performance appraisal and compensation <p>Example: Hiring engineers and training them for plant operations.</p> <p>4. Directing</p> <p>Directing is guiding and supervising employees to achieve organizational goals.</p> <p>Key elements:</p> <ul style="list-style-type: none"> Leadership – influencing employees Motivation – encouraging better performance Communication – flow of information Supervision – monitoring work 	
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	<p>Example: Manager motivating workers to meet deadlines.</p> <p>5. Controlling</p> <p>Controlling ensures that actual performance matches planned performance.</p>	
<p>b</p>	<p>Interpersonal Roles (People-related roles)</p> <p>These roles involve interaction with others inside and outside the organization.</p> <p>a) Figurehead</p> <p>The manager acts as a symbolic head of the organization or department.</p> <p>Performs ceremonial and social duties.</p> <p>Examples:</p> <p>Attending official meetings</p> <p>Signing documents</p> <p>Representing the company at events</p> <p>Here, the manager's presence is important even if no real decision is taken.</p> <p>b) Leader</p> <p>The manager guides, motivates, and directs employees.</p> <p>Responsible for:</p> <p>Hiring and training staff</p> <p>Assigning work</p> <p>Evaluating performance</p> <p>Encouraging teamwork</p> <p>This role directly affects employee morale and productivity.</p> <p>c) Liaison</p>	<p>10</p>

	<p>The manager builds networks and relationships outside the immediate team.</p> <p>Acts as a link between:</p> <ul style="list-style-type: none"> Other departments Suppliers Customers Government agencies <p>Helps in information flow and coordination.</p> <p>2. Informational Roles (Information-related roles)</p> <p>Managers act as information centers in an organization.</p> <p>a) Monitor</p> <p>The manager collects information from inside and outside the organization.</p> <p>Sources:</p> <ul style="list-style-type: none"> Reports Meetings News Market trends <p>Helps the manager stay updated and aware of problems and opportunities.</p> <p>b) Disseminator</p> <p>The manager shares important information with subordinates.</p> <p>Examples</p> <ul style="list-style-type: none"> Explaining new policies Sharing performance results Informing about changes <p>Ensures everyone works with the right information.</p>	
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	<p>c) Spokesperson</p> <p>The manager represents the organization to outsiders.</p> <p>Communicates with:</p> <p>Media</p> <p>Clients</p> <p>Investors</p> <p>Government</p> <p>Protects and promotes the organization's image.</p> <p>3. Decisional Roles (Decision-making roles)</p> <p>These roles involve making choices that affect the organization.</p> <p>a) Entrepreneur</p> <p>The manager works on innovation and improvement.</p> <p>Initiates:</p> <p>New projects</p> <p>Process improvements</p> <p>Business expansion</p> <p>Focuses on growth and change.</p> <p>b) Disturbance Handler</p> <p>The manager deals with unexpected problems and crises.</p> <p>Examples:</p> <p>Worker conflicts</p> <p>Machine breakdown</p> <p>Customer complaints</p> <p>Requires quick and calm decision-making.</p> <p>c) Resource Allocator</p> <p>The manager decides how to use:</p>	
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		<p>Money</p> <p>Time</p> <p>Equipment</p> <p>Staff Ensures resources are used efficiently.</p> <p>d) Negotiator</p> <p style="padding-left: 40px;">The manager takes part in negotiations.</p> <p>With:</p> <p>Employees (salary, work conditions)</p> <p>Suppliers (price, contracts)</p> <p>Clients</p>	
OR			
Q.2	a	<p>1. Setting Objectives</p> <p>The first step is to define goals the organization wants to achieve.</p> <p>Objectives give direction to all activities.</p> <p>They may be:</p> <p>Short-term (monthly targets)</p> <p>Long-term (5-year growth)</p> <p>Without clear objectives, planning has no purpose.</p> <p>2. Developing Planning Premises</p> <p>These are the assumptions about the future on which plans are based.</p> <p>Includes:</p> <p>Market conditions</p> <p>Government policies</p> <p>Economic trends</p> <p>Availability of resources</p> <p>Since the future is uncertain, managers make realistic assumptions.</p>	10

3. Identifying Alternative Courses of Action

There is never only one way to achieve a goal.

Managers list different possible strategies.

Example: To increase sales:

Reduce price

Increase advertising

Improve product quality

This step encourages creative thinking.

4. Evaluating Alternatives

Each alternative is examined based on:

Cost

Risk

Feasibility

Expected results

Managers compare advantages and disadvantages of each option.

5. Selecting the Best Alternative

After evaluation, the most suitable course of action is chosen.

Sometimes a combination of alternatives is selected.

This becomes the final plan.

6. Formulating Supporting Plans

Main plans require sub-plans for support.

Example:

If production increases → need HR plan, purchase plan, training plan.

Ensures all departments work in coordination.

7. Budgeting

	<p>Budgets are numerical expressions of plans.</p> <p>Includes:</p> <p>Sales budget</p> <p>Production budget</p> <p>Cash budget</p> <p>Converts plans into measurable targets.</p> <p>8. Implementation of Plans</p> <p>After planning, action begins.</p> <p>Assign tasks, allocate resources, and communicate the plan to employees.</p> <p>Planning without execution is useless.</p> <p>9. Follow-up and Review</p> <p>Managers check whether the plan is working.</p> <p>Compare actual performance with planned targets.</p> <p>Take corrective actions if needed.</p>	
<p>b</p>	<p>Based on Structure</p> <p>a) Programmed Decisions</p> <p>Routine and repetitive decisions.</p> <p>Made using rules, procedures, or policies.</p> <p>No need for deep thinking each time.</p> <p>Examples:</p> <p>Approving leave as per policy</p> <p>Reordering stock when it reaches minimum level</p> <p>Used for day-to-day operations.</p> <p>b) Non-Programmed Decisions</p>	<p>10</p>

	<p>Unique, new, and non-routine decisions.</p> <p>No ready-made rule exists.</p> <p>Require judgment, creativity, and analysis.</p> <p>Examples:</p> <p>Entering a new market</p> <p>Handling a major crisis</p> <p>Usually taken by top management.</p> <p>2. Based on Level of Management</p> <p>a) Strategic Decisions</p> <p>Taken by top-level managers.</p> <p>Long-term and affect the whole organization.</p> <p>Examples:</p> <p>Expansion plans</p> <p>Mergers and acquisitions</p> <p>Launching a new product line</p> <p>Decide the future direction of the company.</p> <p>b) Tactical (Administrative) Decisions</p> <p>Taken by middle-level managers.</p> <p>Concerned with how things get done.</p> <p>Examples:</p> <p>Department budgets</p> <p>Staffing plans</p> <p>Marketing strategies</p> <p>Support strategic decisions.</p> <p>c) Operational Decisions</p> <p>Taken by lower-level managers or supervisors.</p>	
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	<p>Short-term and routine.</p> <p>Examples:</p> <p>Daily work schedules</p> <p>Machine usage</p> <p>Shift assignments</p> <p>Ensure smooth daily operations.</p> <p>3. Based on Importance</p> <p>a) Major Decisions</p> <p>Very important and have long-term impact.</p> <p>Involve high risk.</p> <p>Examples:</p> <p>Buying expensive machinery</p> <p>Opening a new branch</p> <p>b) Minor Decisions</p> <p>Less important and have limited effect.</p> <p>Made frequently.</p> <p>Examples:</p> <p>Office layout changes</p> <p>Purchasing stationery</p> <p>4. Based on Nature of Conditions</p> <p>a) Decisions under Certainty</p> <p>Outcomes are known.</p> <p>Risk is minimal.</p> <p>Example: Choosing a supplier with fixed price and guaranteed delivery.</p> <p>b) Decisions under Risk</p>	
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		<p>Outcomes are uncertain but probabilities can be estimated.</p> <p>Example: Investing in a new product based on market research.</p> <p>c) Decisions under Uncertainty</p> <p>Future outcomes cannot be predicted.</p> <p>No reliable data available.</p> <p>Example: Starting a business in a completely new technology field.</p> <p>5. Based on Participation</p> <p>a) Individual Decisions</p> <p>Made by a single manager.</p> <p>Quick but limited viewpoint.</p> <p>b) Group Decisions</p> <p>Taken collectively by a team.</p> <p>More ideas and accuracy, but time-consuming.</p>	
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Module-2		Marks
Q.3	a	<p>1. Identification of Activities</p> <p>First, managers list all tasks needed to achieve goals.</p> <p>Work is broken into smaller, manageable activities.</p> <p>Example:</p> <p>Production</p> <p>Marketing</p> <p>Finance</p> <p>HR</p> <p>This ensures no important work is missed.</p> <p>2. Grouping of Activities (Departmentalization)</p>

	<p>Similar activities are grouped together into departments or units.</p> <p>Can be grouped by:</p> <p>Function (production, sales)</p> <p>Product</p> <p>Region</p> <p>Customer type</p> <p>Improves specialization and efficiency.</p> <p>3. Assignment of Duties</p> <p>Specific jobs are assigned to individual employees.</p> <p>Ensures:</p> <p>Right person does the right job</p> <p>No duplication of work</p> <p>Clear job responsibilities reduce confusion.</p> <p>4. Delegation of Authority</p> <p>Along with duties, employees are given authority to perform tasks.</p> <p>Authority means the power to make decisions and use resources.</p> <p>Responsibility without authority leads to failure.</p> <p>5. Establishing Relationships</p> <p>Defines who reports to whom.</p> <p>Creates a chain of command and communication flow.</p> <p>Includes:</p> <p>Superior-subordinate relationships</p> <p>Coordination among departments</p> <p>Maintains order and avoids conflict.</p> <p>6. Providing Resources</p> <p>Managers ensure availability of:</p>	
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	<p>Human resources</p> <p>Equipment</p> <p>Funds</p> <p>Materials</p> <p>Work cannot be done without proper resources.</p> <p>7. Coordination and Review</p> <p>Ensure different departments work in harmony.</p> <p>Adjust structure if needed.</p>	
b	<p>1. Preliminary Interview (Screening)</p> <p>The first interaction with candidates.</p> <p>Purpose:</p> <p>Eliminate unqualified applicants</p> <p>Check basic information (age, education, experience)</p> <p>Saves time and cost for the organization.</p> <p>It acts as a filtering stage.</p> <p>2. Receiving Applications</p> <p>Candidates fill out an application form.</p> <p>Contains:</p> <p>Personal details</p> <p>Educational background</p> <p>Work experience</p> <p>Skills</p> <p>Provides a written record of the applicant's information.</p> <p>3. Screening of Applications</p> <p>HR department reviews all applications.</p> <p>Shortlists candidates who meet job requirements.</p>	10

	<p>Only suitable candidates move to the next stage.</p> <p>4. Employment Tests</p> <p>Used to measure different abilities of candidates.</p> <p>Types of tests:</p> <p>Intelligence tests – mental ability</p> <p>Aptitude tests – potential to learn skills</p> <p>Personality tests – behavior and attitude</p> <p>Trade/skill tests – job-related skills</p> <p>Helps in objective evaluation.</p> <p>5. Interview</p> <p>Face-to-face interaction with the candidate.</p> <p>Assesses:</p> <p>Communication skills</p> <p>Confidence</p> <p>Attitude</p> <p>Job knowledge</p> <p>Types: Structured, Unstructured, Panel, Stress interview.</p> <p>One of the most important steps.</p> <p>6. Reference Check</p> <p>Employers contact previous employers or referees.</p> <p>Verifies:</p> <p>Character</p> <p>Past performance</p> <p>Work behavior</p> <p>Confirms the authenticity of information.</p> <p>7. Medical Examination</p>	
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		<p>Ensures the candidate is physically and mentally fit for the job.</p> <p>Epecially important for physically demanding jobs.</p> <p>Reduces future health-related issues.</p> <p>8. Final Selection Decision</p> <p>HR manager and department head decide the most suitable candidate.</p> <p>Based on performance in all previous steps.</p> <p>9. Job Offer (Appointment Letter)</p> <p>Selected candidate receives an offer letter.</p> <p>Includes:</p> <p>Salary</p> <p>Job role</p> <p>Terms and conditions</p> <p>10. Placement and Orientation</p> <p>An employee is assigned to the job.</p> <p>Given orientation training about company rules, culture, and duties</p>	
OR			
Q.4	a	<p>Herzberg's Two-Factor Theory (Motivation-Hygiene Theory)</p> <p>Frederick Herzberg proposed the Two-Factor Theory in 1959 to explain the factors that influence employee satisfaction and motivation at work. According to Herzberg, job satisfaction and job dissatisfaction arise from two different sets of factors.</p> <p>1. Hygiene Factors (Maintenance Factors)</p> <p>Hygiene factors are related to the work environment. Their presence does not motivate employees, but their absence causes dissatisfaction. These factors are essential to prevent unhappiness at work.</p> <p>Examples of hygiene factors:</p> <ul style="list-style-type: none"> ● Salary and wages 	10

	<ul style="list-style-type: none"> ● Company policies and administration ● Supervision quality ● Working conditions ● Job security ● Interpersonal relationships ● Status <p>Improving hygiene factors only removes dissatisfaction; it does not create long-term motivation.</p> <p>2. Motivators (Growth Factors)</p> <p>Motivators are related to the nature of the job itself and lead to higher satisfaction and motivation when present. They encourage employees to perform better and take responsibility.</p> <p>Examples of motivators:</p> <ul style="list-style-type: none"> ● Achievement ● Recognition ● Responsibility ● Advancement and promotion ● Personal growth ● The work itself <p>Motivators are the main drivers of job satisfaction, commitment, and productivity.</p>	
b	<p>Technique of Coordination:</p> <ol style="list-style-type: none"> 1. Basic coordinating Techniques 2. Increasing coordination potential 3. Reducing need for coordination <p>Coordination is the process of integrating and harmonizing the activities of individuals and departments to achieve organizational goals efficiently. Effective coordination ensures unity of action, avoids duplication of efforts, and improves overall performance.</p> <p>1. Clearly Defined Objectives</p>	10

Coordination becomes easier when organizational goals are clearly stated and well understood by all employees. Common objectives align individual and departmental efforts toward a unified direction.

2. Sound Planning

Proper planning helps in deciding in advance what is to be done, how, when, and by whom. Well-coordinated plans reduce conflicts and ensure smooth execution of activities.

3. Effective Communication

Communication is the backbone of coordination. Timely, accurate, and clear communication—both vertical and horizontal—ensures that information flows smoothly among departments and employees.

4. Authority and Responsibility

A clear definition of authority and responsibility helps in coordinating activities. When employees know their roles and reporting relationships, confusion and overlapping of duties are minimized.

5. Unity of Command

Unity of command means that an employee should receive instructions from only one superior. This avoids confusion, conflicting orders, and promotes better coordination.

6. Leadership and Supervision

Effective leadership plays a vital role in coordination. A good leader motivates employees, resolves conflicts, and ensures cooperation among team members.

7. Meetings and Committees

Regular meetings and committees facilitate discussion, exchange of ideas, and joint decision-making. They help coordinate activities across departments and levels of management.

8. Standardization of Procedures

Standard methods, rules, and procedures ensure uniformity in operations. This simplifies coordination by reducing variability in work processes.

9. Incentive and Reward Systems

	<p>Well-designed incentive systems encourage teamwork and cooperation. When rewards are linked to group performance, employees work in a coordinated manner.</p> <p>10. Direct Contact and Informal Relationships</p> <p>Direct personal contact among employees and managers helps in resolving issues quickly and building mutual understanding, thereby improving coordination</p>	
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Module-3			Marks
Q.5	a	<p>Social Responsibilities of business towards different groups:</p> <p>Social responsibility of business refers to the obligation of business enterprises to operate ethically and contribute to economic development while improving the quality of life of employees, customers, society, and other stakeholders. A business does not function in isolation; it affects and is affected by various groups in society. The major social responsibilities of business towards different groups are explained below.</p> <p>1. Responsibility towards Owners / Shareholders</p> <ul style="list-style-type: none"> ● Ensure reasonable and regular return on investment ● Safeguard capital and use it efficiently ● Maintain transparency through proper accounting and reporting ● Protect the long-term interests of the business <p>2. Responsibility towards Employees</p> <ul style="list-style-type: none"> ● Provide fair wages and timely payment ● Ensure safe and healthy working conditions ● Offer job security and opportunities for career growth ● Provide training, welfare facilities, and social security benefits ● Treat employees with dignity and respect 	10

3. Responsibility towards Consumers

- Supply quality goods and services at reasonable prices
- Ensure product safety and reliability
- Avoid misleading advertisements and unfair trade practices
- Provide proper after-sales service and grievance redressal

4. Responsibility towards Suppliers

- Ensure timely payment for goods and services
- Maintain fair dealings and long-term relationships
- Avoid exploitation and unethical practices
- Encourage healthy competition among suppliers

5. Responsibility towards Government

- Comply with laws, rules, and regulations
- Pay taxes honestly and promptly
- Support government policies aimed at social welfare
- Cooperate in national economic development

6. Responsibility towards Society and Community

- Contribute to social development programs such as education, healthcare, and skill development
- Generate employment opportunities
- Support community welfare and upliftment activities
- Respect cultural values and social norms

7. Responsibility towards Environment

- Prevent pollution and minimize waste

	<ul style="list-style-type: none"> ● Use natural resources efficiently and responsibly ● Adopt eco-friendly technologies and sustainable practices ● Comply with environmental protection laws 	
b	<p>Corporate Governance refers to the system of rules, practices, and processes by which a company is directed and controlled. It defines the relationship among shareholders, the board of directors, management, and other stakeholders, and provides the framework for achieving organizational objectives while ensuring accountability, transparency, and ethical conduct.</p> <p>Meaning and Concept of Corporate Governance</p> <p>Corporate governance ensures that a company is managed in a way that balances economic goals with social and ethical responsibilities. It promotes fairness, disclosure, and responsibility in decision-making and protects the interests of all stakeholders.</p> <p>Key Principles of Corporate Governance</p> <ol style="list-style-type: none"> 1. Transparency – Timely and accurate disclosure of financial and non-financial information. 2. Accountability – Management and the board are accountable to shareholders and stakeholders. 3. Fairness – Equal treatment of all stakeholders, especially minority shareholders. 4. Responsibility – Compliance with laws and ethical standards. 5. Independence – Independent directors ensure unbiased decision-making. <p>Benefits of Good Corporate Governance</p> <ol style="list-style-type: none"> 1. Enhances Investor Confidence Good governance builds trust among investors, encouraging long-term investments. 2. Improves Corporate Performance Clear roles and effective oversight lead to better strategic decisions and operational efficiency. 3. Ensures Transparency and Accountability Regular disclosures and audits reduce fraud and mismanagement. 4. Protects Shareholder Interests Safeguards the rights of both majority and minority shareholders. 5. Reduces Risk and Corporate Failures Strong governance frameworks help identify and manage risks effectively. 6. Improves Access to Capital Well-governed companies find it easier to raise funds at lower costs. 	10

		<p>7. Enhances Corporate Reputation Ethical practices improve goodwill and brand image.</p> <p>8. Encourages Ethical Conduct Promotes integrity and compliance with legal and moral standards.</p> <p>9. Supports Sustainable Growth Balances short-term profits with long-term sustainability and social responsibility.</p> <p>10. Strengthens Stakeholder Relationships Builds trust with employees, customers, suppliers, government, and society.</p>	
OR			
Q.6	a	<p>Characteristics of Successful Entrepreneurs</p> <p>Entrepreneurs play a vital role in economic development by identifying opportunities, innovating, and taking calculated risks. Successful entrepreneurs possess a unique set of qualities that enable them to establish, manage, and grow their ventures effectively. The key characteristics of successful entrepreneurs are explained below.</p> <p>1. Vision and Foresight</p> <p>Successful entrepreneurs have a clear vision of what they want to achieve. They can foresee future market trends and plan accordingly to seize opportunities.</p> <p>2. Risk-Taking Ability</p> <p>Entrepreneurs are willing to take calculated risks. They carefully analyze potential outcomes and are prepared to face uncertainty and challenges.</p> <p>3. Innovativeness and Creativity</p> <p>Innovation is the backbone of entrepreneurship. Successful entrepreneurs introduce new ideas, products, services, or processes to gain a competitive advantage.</p> <p>4. Self-Confidence</p> <p>Strong belief in their own abilities helps entrepreneurs make firm decisions and face challenges with confidence.</p> <p>5. Leadership Skills</p> <p>Entrepreneurs lead, motivate, and guide their teams toward achieving organizational goals. Effective leadership ensures teamwork and commitment.</p> <p>6. Hard Work and Perseverance</p> <p>Entrepreneurs are hardworking and persistent. They do not give up easily and continue striving even in the face of failure.</p>	10

	<p>7. Decision-Making Ability</p> <p>Quick and effective decision-making is essential for handling business challenges and exploiting opportunities.</p> <p>8. Goal Orientation</p> <p>Successful entrepreneurs set clear goals and remain focused on achieving them within a defined timeframe.</p> <p>9. Adaptability and Flexibility</p> <p>Entrepreneurs must adapt to changes in technology, market conditions, and consumer preferences to survive and grow.</p> <p>10. Ethical Orientation and Social Responsibility</p> <p>Successful entrepreneurs follow ethical practices and consider social welfare, which helps in building trust and long-term goodwill.</p> <p>Successful entrepreneurs combine vision, innovation, leadership, and perseverance with ethical conduct. These characteristics enable them to overcome challenges, create value, and contribute significantly to economic growth.</p>	
b	<p>Problems Faced by Entrepreneurs</p> <p>Entrepreneurs play a crucial role in economic development by creating jobs, fostering innovation, and contributing to national growth. However, while starting and running a business, entrepreneurs face several problems and challenges. These problems may arise at different stages of the entrepreneurial journey. The major problems faced by entrepreneurs are explained below.</p> <p>1. Financial Constraints</p> <p>One of the most common problems faced by entrepreneurs is lack of finance. Difficulty in raising capital, high interest rates, limited access to credit, and inadequate working capital hinder business operations.</p> <p>2. Risk and Uncertainty</p> <p>Entrepreneurship involves high risk and uncertainty due to changing market conditions, customer preferences, and economic fluctuations. Fear of failure often discourages entrepreneurs.</p> <p>3. Lack of Managerial Skills</p>	10

	<p>Many entrepreneurs possess technical skills but lack managerial expertise in areas such as planning, organizing, marketing, and financial management.</p> <p>4. Competition</p> <p>Intense competition from established firms and multinational companies makes it difficult for new entrepreneurs to survive and sustain growth.</p> <p>5. Technological Challenges</p> <p>Rapid technological changes require constant upgradation. Entrepreneurs often struggle to adopt new technologies due to high costs and lack of technical knowledge.</p> <p>6. Regulatory and Legal Problems</p> <p>Complex government regulations, licensing procedures, taxation policies, and compliance requirements consume time and resources.</p> <p>7. Marketing and Distribution Issues</p> <p>Identifying customers, building brand awareness, pricing products competitively, and developing efficient distribution channels are major challenges.</p> <p>8. Human Resource Problems</p> <p>Entrepreneurs face difficulties in recruiting skilled labor, retaining talent, maintaining employee motivation, and handling labor-related issues.</p> <p>9. Infrastructure Constraints</p> <p>Inadequate infrastructure such as power supply, transportation, communication facilities, and logistics affects smooth business operations.</p> <p>10. Social and Psychological Problems</p> <p>Entrepreneurs often face social pressures, work–life imbalance, stress, and lack of family or societal support, which impact decision-making.</p> <p>Entrepreneurs face multiple challenges related to finance, competition, technology, regulation, and human resources. Overcoming these problems requires proper planning, government support, skill development, and a positive entrepreneurial mindset.</p>	
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Module-4		Marks
Q.7	a	<p>Discuss role of small scale industries along with globalization and the WTO on SSI.</p> <p>Role of Small Scale Industries (SSI) and the Impact of Globalisation and WTO</p> <p>Small Scale Industries (SSI) play a crucial role in the economic development of a country like India. They act as engines of growth by promoting entrepreneurship, generating employment, and ensuring balanced regional development. With the advent of globalization and the establishment of the World Trade Organization (WTO), the functioning and competitiveness of SSI have undergone significant changes.</p> <p>Role of Small Scale Industries (SSI)</p> <ol style="list-style-type: none"> 1. Employment Generation SSI are labour-intensive in nature and generate large employment opportunities at comparatively lower capital cost. They help absorb surplus labour, especially in rural and semi-urban areas. 2. Balanced Regional Development SSI promotes industrialisation in backward and rural regions, reducing regional imbalances and preventing excessive migration to urban areas. 3. Promotion of Entrepreneurship SSI encourages first-generation entrepreneurs by requiring low capital investment and simpler technology, thereby fostering self-employment and innovation. 4. Contribution to National Income and Exports SSI contributes significantly to GDP, industrial output, and exports. Many small enterprises produce ancillary and export-oriented goods. 5. Support to Large Industries SSI act as ancillary units supplying components, spare parts, and services to large-scale industries, strengthening industrial linkages. <p>Impact of Globalisation on SSI</p> <p>Globalisation refers to the integration of domestic economies with the global market. Its impact on SSI is both positive and negative.</p>

	<p>Positive Impact:</p> <ul style="list-style-type: none"> ● Access to international markets and advanced technology ● Availability of better raw materials and modern production techniques ● Increased opportunities for subcontracting and outsourcing <p>Negative Impact:</p> <ul style="list-style-type: none"> ● Intense competition from multinational corporations (MNCs) ● Pressure on prices and profit margins ● Difficulty in meeting international quality and cost standards <p>Impact of WTO on SSI</p> <p>The WTO promotes free and fair trade by reducing trade barriers. Its implications for SSI include:</p> <ol style="list-style-type: none"> 1. Removal of Protective Measures SSI lost several protective policies such as reservations and subsidies, exposing them to global competition. 2. Increased Competition Cheaper imported goods affect the market share of SSI, especially those using outdated technology. 3. Quality and Standardisation Pressure SSI are compelled to improve product quality, packaging, and standardisation to meet global norms. 4. Opportunities for Export Growth Efficient and competitive SSI benefit from increased access to global markets under WTO regulations. 	
b	<p>Enumerate and list the external and internal problems faced by small scale industries.</p> <p>External and Internal Problems Faced by Small Scale Industries (SSI)</p> <p>Small Scale Industries (SSI) play a vital role in employment generation, balanced regional development, and entrepreneurship.</p>	10

However, they face several internal and external problems which hinder their growth and competitiveness.

1. Internal Problems of Small Scale Industries

Internal problems arise within the organization and are largely controllable by the entrepreneur.

1. Managerial Problems

- Lack of professional management and managerial skills
- Owner-managed enterprises with poor planning and decision-making
- Absence of delegation and scientific management practices

2. Financial Problems

- Inadequate capital and working capital shortages
- Poor financial planning and improper utilization of funds
- High dependence on short-term borrowings

3. Production Problems

- Use of obsolete technology and outdated machinery
- Low capacity utilization
- High production costs due to inefficiency

4. Human Resource Problems

- Shortage of skilled and trained manpower
- High labour turnover
- Poor wage structure and lack of motivation

5. Marketing Problems

- Lack of market research and sales promotion
- Inability to compete with large-scale industries

- Dependence on middlemen

2. External Problems of Small Scale Industries

External problems arise from the environment outside the enterprise and are beyond the direct control of SSI.

1. Financial Constraints

- Difficulty in obtaining timely credit from banks and financial institutions
- Rigid lending procedures and collateral requirements
- Delay in disbursement of loans

2. Raw Material Problems

- Irregular supply of raw materials
- Poor quality and high cost of inputs
- Dependence on large industries for raw materials

3. Competition from Large-Scale Industries

- Large firms enjoy economies of scale
- Better technology, branding, and marketing strength
- Price competition affecting SSI survival

4. Government and Regulatory Problems

- Complex rules, regulations, and compliance requirements
- Delay in approvals, licenses, and subsidies
- Inadequate implementation of government support schemes

5. Infrastructure Problems

- Poor power supply and frequent power cuts
- Inadequate transport, storage, and communication facilities

		<ul style="list-style-type: none"> • Lack of industrial estates in backward areas 	
		OR	
Q.8	a	<p>Discuss how to Generate Business ideas</p> <p>Generation of Business Ideas</p> <p>Business idea refers to a concept or an opportunity that can be converted into a viable business venture by providing products or services to satisfy customer needs profitably. According to Charantimath, generation of business ideas is the first and most crucial step in the entrepreneurial process.</p> <p>Methods of Generating Business Ideas</p> <ol style="list-style-type: none"> 1. Identification of Market Needs Business ideas originate from unmet needs, problems, or dissatisfaction of customers. <ul style="list-style-type: none"> ○ Entrepreneurs observe gaps between what consumers want and what is currently available. ○ Example: Demand for eco-friendly products, online services, or low-cost solutions. 2. Observation of Trends and Changes <ul style="list-style-type: none"> ○ Changes in lifestyle, technology, fashion, income levels, and consumer preferences provide new opportunities. ○ Trends in health, education, digitalization, and sustainability help in idea generation. ○ Example: Growth of e-commerce and digital payments. 3. Technological Advances <ul style="list-style-type: none"> ○ New technologies lead to innovative products, processes, and services. ○ Commercialization of research and development results in new business ideas. ○ Example: Mobile applications, automation, renewable energy solutions. 4. Government Policies and Support 	10

	<ul style="list-style-type: none"> ○ Government incentives, subsidies, industrial policies, and schemes encourage new ventures. ○ Reservation of products for SSIs and Make in India initiatives generate ideas. ○ Example: MSME schemes, startup incentives, and export promotion policies. <p>5. Brainstorming</p> <ul style="list-style-type: none"> ○ A creative group technique where individuals generate a large number of ideas freely. ○ Encourages innovation without criticism. ○ Helps in refining and selecting feasible business ideas. <p>6. Creativity and Innovation</p> <ul style="list-style-type: none"> ○ Creativity involves generating new ideas, while innovation involves implementing them. ○ Entrepreneurs combine existing ideas in new ways to create value. ○ Example: Packaging innovation, service differentiation. <p>7. Experience and Personal Skills</p> <ul style="list-style-type: none"> ○ Past work experience, technical knowledge, and hobbies contribute to idea generation. ○ Entrepreneurs identify opportunities related to their expertise. ○ Example: A technician starting a repair or manufacturing unit. <p>8. Study of Existing Businesses</p> <ul style="list-style-type: none"> ○ Analysis of successful and failed enterprises provides insights. ○ Modification or improvement of existing products leads to new ideas. ○ Example: Value addition or cost reduction strategies. 	
	<p>b Explain how to identify a business opportunity in detail.</p> <p>Identification of Business Opportunity</p>	10

Business opportunity refers to a favourable situation that enables an entrepreneur to introduce a new product or service or improve an existing one to satisfy customer needs profitably. According to Charantimath, identification of business opportunity is a systematic process of scanning the environment and evaluating feasibility before starting an enterprise.

Steps / Methods for Identifying a Business Opportunity

1. Environmental Scanning

- The entrepreneur must analyze the external environment such as economic, social, political, legal, and technological factors.
- Changes in government policies, income levels, consumer behavior, and industrial growth create new opportunities.
- Example: Liberalization and globalization opening new markets.

2. Market Analysis

- Study of market demand, customer preferences, size of the market, and growth potential.
- Helps in identifying unmet needs and gaps in the market.
- Example: Demand for affordable healthcare and educational services.

3. Identification of Customer Problems

- Opportunities arise when customers face problems or dissatisfaction with existing products.
- Entrepreneurs convert problems into profitable solutions.
- Example: Poor after-sales service creating scope for service-based ventures.

4. Study of Technology and Innovation

- Technological developments help in improving products, reducing costs, and increasing efficiency.
- Adoption of new technology creates competitive advantage.
- Example: Automation, digital platforms, renewable energy.

		<p>5. Analysis of Resources and Capabilities</p> <ul style="list-style-type: none"> ○ Availability of raw materials, manpower, finance, infrastructure, and skills must be assessed. ○ The opportunity should match the entrepreneur’s technical and managerial capabilities. ○ Example: Utilizing local resources for agro-based industries. <p>6. Competitive Analysis</p> <ul style="list-style-type: none"> ○ Study of existing competitors, their strengths, weaknesses, pricing, and strategies. ○ Helps in identifying differentiation and niche markets. ○ Example: Product customization or superior quality. <p>7. Government Policies and Support System</p> <ul style="list-style-type: none"> ○ Government incentives, subsidies, industrial policies, and MSME support schemes influence opportunity identification. ○ Reservation of products for small-scale industries encourages new ventures. ○ Example: Startup India, MSME development programs. <p>8. Feasibility Analysis</p> <ul style="list-style-type: none"> ○ Evaluation of technical, financial, economic, and commercial feasibility. ○ Helps in deciding whether the opportunity can be successfully converted into a business. ○ Example: Cost–benefit analysis and profitability estimation. 	
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Module-5			Marks
Q.9	a	<p>Explain the following</p> <p>(i) Financial Plan</p> <p>(ii) Marketing Plan</p>	10

(i) Financial Plan

A **Financial Plan** is an important component of a business plan which estimates the **financial requirements and financial performance** of the proposed enterprise. According to Charantimath, it provides a clear picture of the **capital needed, sources of finance, costs, revenues, and profitability** of the business.

Components of a Financial Plan

1. Cost of Project

- Includes fixed capital (land, building, machinery) and working capital (raw materials, wages, utilities).
- Helps in estimating total investment required.

2. Means of Finance

- Indicates sources of funds such as owner's capital, bank loans, financial institutions, and subsidies.
- Shows the capital structure of the enterprise.

3. Projected Income Statement

- Estimates future sales, expenses, and profits.
- Helps in assessing profitability.

4. Cash Flow Statement

- Shows inflow and outflow of cash over a period.
- Ensures liquidity and ability to meet short-term obligations.

5. Break-even Analysis

- Determines the level of sales at which total cost equals total revenue.
- Helps in understanding risk and viability.

Importance of Financial Plan

- Assists in financial control and decision making

- Helps in obtaining loans and investments
- Ensures optimum utilization of funds

(ii) Marketing Plan

A **Marketing Plan** outlines the strategies for **identifying customers, promoting products, pricing, and distribution**. According to Charantimath, it explains **how the product or service will reach the target market and achieve sales objectives**.

Components of a Marketing Plan

1. Market Analysis

- Identification of target market, customer needs, market size, and growth potential.
- Helps in understanding consumer behavior.

2. Product Planning

- Decisions regarding product quality, design, features, packaging, and branding.
- Ensures customer satisfaction.

3. Pricing Policy

- Fixing appropriate prices based on cost, competition, and demand.
- Includes strategies such as penetration pricing or competitive pricing.

4. Promotion Strategy

- Use of advertising, sales promotion, personal selling, and publicity.
- Creates awareness and demand for the product.

5. Distribution Channels

- Selection of suitable channels such as wholesalers, retailers, or direct sales.

	<ul style="list-style-type: none"> ○ Ensures availability of products to customers. <p>Importance of Marketing Plan</p> <ul style="list-style-type: none"> ● Helps in achieving sales targets ● Builds customer base and market share ● Provides competitive advantage 	
b	<p>Discuss why do some business plan fails in detail</p> <p>Reasons for Failure of Business Plans</p> <p>A business plan is a systematic document that outlines the objectives, strategies, and resources required for starting and managing a business. However, many business plans fail due to improper planning, unrealistic assumptions, and poor execution. According to Charantimath, failure of business plans can be attributed to several internal and external factors.</p> <p>Major Reasons for Failure of Business Plans</p> <ol style="list-style-type: none"> 1. Lack of Clear Objectives <ul style="list-style-type: none"> ○ Absence of clearly defined goals and vision leads to confusion in decision making. ○ Unclear mission results in improper allocation of resources. 2. Inadequate Market Research <ul style="list-style-type: none"> ○ Failure to properly study customer needs, market size, and demand. ○ Overestimation of demand and ignoring customer preferences leads to poor sales. 3. Unrealistic Financial Projections <ul style="list-style-type: none"> ○ Over-optimistic sales forecasts and underestimation of costs. ○ Improper estimation of working capital leads to liquidity problems. 4. Poor Marketing Strategy 	10

	<ul style="list-style-type: none"> ○ Ineffective pricing, promotion, and distribution strategies. ○ Failure to identify target customers and competitive positioning. <p>5. Weak Management and Lack of Skills</p> <ul style="list-style-type: none"> ○ Incompetent management and lack of managerial experience. ○ Poor leadership and decision-making abilities affect performance. <p>6. Ignoring Competition</p> <ul style="list-style-type: none"> ○ Failure to analyze competitors' strengths and weaknesses. ○ Lack of differentiation and competitive advantage. <p>7. Improper Assessment of Resources</p> <ul style="list-style-type: none"> ○ Non-availability of skilled manpower, raw materials, or infrastructure. ○ Inefficient utilization of available resources. <p>8. Failure to Consider External Environment</p> <ul style="list-style-type: none"> ○ Ignoring economic, political, legal, and technological changes. ○ Changes in government policy, taxation, or regulations affecting the business. <p>9. Poor Implementation and Control</p> <ul style="list-style-type: none"> ○ Even well-prepared plans fail due to weak execution. ○ Lack of monitoring, feedback, and corrective action. <p>10. Lack of Flexibility</p> <ul style="list-style-type: none"> ○ Inability to modify plans in response to market changes. ○ Rigid planning leads to failure in dynamic business environments. 	
OR		

Q. 10	a	<p>Venture capital refers to long-term risk capital provided by professional investors to entrepreneurs who have innovative ideas, scalable business models, and high growth prospects.</p> <p>Key Features of Venture Capital</p> <p>① Equity Investment</p> <p>VC firms invest by purchasing shares in the company.</p> <p>They become part-owners, not lenders.</p> <p>② High Risk – High Return</p> <p>Startups may fail, so risk is very high.</p> <p>But if successful, returns can be many times the original investment.</p> <p>③ Focus on Startups & Innovation</p> <p>Mostly invested in:</p> <p>Technology companies</p> <p>Biotech</p> <p>Fintech</p> <p>E-commerce</p> <p>AI and new-age industries</p> <p>④ Long-Term Investment</p> <p>VC investors usually stay invested for 5–10 years.</p> <p>They exit later through:</p> <p>IPO (Initial Public Offering)</p> <p>Sale of company</p> <p>Acquisition</p> <p>⑤ Active Participation</p> <p>Venture capitalists don't just give money.</p> <p>They provide:</p> <p>Business advice</p>	5
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	<p>Strategic guidance</p> <p>Industry connections</p> <p>Management support</p> <p>They help the company grow faster.</p> <p>⑥ No Collateral Required</p> <p>Unlike banks, VCs do not ask for security or assets.</p> <p>Investment is based on the business idea and team potential.</p> <p>Stages of Venture Capital Financing</p> <p>Seed Stage – Funding for idea development</p> <p>Start-up Stage – For product development & marketing</p> <p>Early Growth Stage – For expanding operations</p> <p>Expansion Stage – Large-scale growth</p> <p>Exit Stage – VC exits and earns profit</p> <p>Objectives of Venture Capital</p> <p>Promote innovation and entrepreneurship</p> <p>Support new technologies</p> <p>Generate high returns</p> <p>Create employment</p> <p>Boost economic growth</p> <p>Advantages of Venture Capital</p> <p>Provides funds when banks refuse</p> <p>Expert guidance and mentoring</p> <p>No repayment pressure like loans</p> <p>Helps in rapid growth</p> <p>Disadvantages</p> <p>Entrepreneurs lose some ownership</p> <p>VC may influence decisions</p> <p>Only high-growth ideas get funding</p>	
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b	<p>Network Analysis in Project Design</p> <p>Network analysis is a systematic technique used in project management to plan, schedule, monitor, and control projects. It helps in representing project activities in a logical sequence and identifying the time required to complete the project efficiently. Network analysis is especially useful for complex projects involving many interdependent activities.</p> <p>Meaning of Network Analysis</p> <p>Network analysis involves breaking a project into smaller activities and arranging them in a network diagram that shows the sequence, interdependence, and duration of each activity. It enables managers to visualize the entire project and manage time and resources effectively.</p> <p>Objectives of Network Analysis</p> <ul style="list-style-type: none"> ● To plan and schedule project activities systematically ● To determine the total project duration ● To identify critical activities that must be completed on time ● To optimize the use of resources ● To monitor project progress and control delays <p>Components of Network Analysis</p> <ol style="list-style-type: none"> 1. Activities – Tasks or operations that consume time and resources. 2. Events (Nodes) – Points indicating the start or completion of activities. 3. Network Diagram – A graphical representation of activities and their relationships. 4. Time Estimates – Duration required to complete each activity. <p>Techniques of Network Analysis</p> <ol style="list-style-type: none"> 1. PERT (Program Evaluation and Review Technique) <ul style="list-style-type: none"> ○ Used for projects with uncertain activity times ○ Employs three time estimates: optimistic, most likely, and pessimistic ○ Commonly used in research and development projects 2. CPM (Critical Path Method) <ul style="list-style-type: none"> ○ Used when activity durations are known ○ Identifies the critical path, i.e., the longest path with zero slack ○ Helps in controlling time and cost <p>Importance of Network Analysis in Project Design</p> <ul style="list-style-type: none"> ● Identifies critical activities that directly affect project completion ● Helps in time optimization and reduction of delays ● Facilitates effective resource allocation ● Enables managers to evaluate the impact of delays in any activity ● Improves coordination and communication among project participants <p>Advantages of Network Analysis</p>	5
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	<ul style="list-style-type: none"> ● Provides a clear picture of the project plan ● Assists in better decision-making ● Helps in monitoring and controlling project progress ● Reduces uncertainty in complex projects <p>Limitations</p> <ul style="list-style-type: none"> ● Preparation of network diagrams can be complex and time-consuming ● Requires accurate estimation of activity durations ● May not be suitable for small or simple projects <p>Conclusion</p> <p>Network analysis is a powerful project design and management tool that helps in systematic planning, scheduling, and control of projects. Techniques such as PERT and CPM enable project managers to complete projects within time and cost constraints, making network analysis essential for successful project execution.</p>	
C	<p>Explain the steps in PERT along with advantages and limitations of PERT</p> <p>PERT (Programme Evaluation and Review Technique)</p> <p>PERT is a project management technique used for planning, scheduling, and controlling complex projects where activity time is uncertain. It helps entrepreneurs and managers in timely completion of projects by identifying critical activities and expected project duration.</p> <p>Steps in PERT</p> <ol style="list-style-type: none"> 1. Identification of Activities <ul style="list-style-type: none"> ○ All activities involved in completing the project are identified. ○ Each activity represents a specific task that consumes time and resources. 2. Determination of Sequence of Activities <ul style="list-style-type: none"> ○ Logical order and dependency among activities are determined. ○ Predecessor and successor relationships are established. 	10

3. Construction of Network Diagram

- A PERT network diagram is drawn using nodes and arrows.
- Nodes represent events and arrows represent activities.

4. Estimation of Activity Time

- Three time estimates are made for each activity:
 - Optimistic time (t_o)
 - Most likely time (t_m)
 - Pessimistic time (t_p)

5. Computation of Expected Time

- Expected time (t_e) is calculated using the formula:
 $t_e = (t_o + 4t_m + t_p) / 6$

6. Identification of Critical Path

- The longest path in the network is identified.
- Activities on the critical path have zero slack and must be completed on time.

7. Scheduling and Monitoring

- Project schedule is prepared based on expected times.
- Continuous monitoring and control are carried out to ensure timely completion.

Advantages of PERT

1. Helps in **planning and scheduling** complex projects.
2. Identifies **critical activities** requiring special attention.
3. Facilitates **better coordination and communication**.
4. Assists in **time control** and reduces project delays.
5. Useful when activity times are **uncertain**.

6. Improves decision making and resource allocation.

Limitations of PERT

1. Time estimates are based on **assumptions and judgment**.
2. Preparation of the PERT network is **complex and time-consuming**.
3. Requires skilled personnel for analysis and interpretation.
4. Not suitable for **small or routine projects**.
5. Focuses mainly on time and ignores cost considerations.