

USN



Internal Assessment Test 3 – November 2018

Sub:	Management and Entrepreneurship Development	Sub Code:	15ES51	Branch:	ECE
Date:	19/11/2018	Duration:	90 min's	Max Marks:	50
		Sem / Sec:	5 th / A,B,C and D		OBE


Answer any FIVE FULL Questions

		MARKS	CO	RBT
1 (a)	Define Small Scale Industries (SSI). Discuss role of SSI.	[02+03]		
(b)	Discuss the impact of World Trade Organization (WTO) and globalization on SSI	[05]		
2 (a)	Explain the concepts of SSI in detail.	[05]		
(b)	Discuss the steps taken by Government of India to improve condition of SSI.	[05]		
3 (a)	SSI in India is constituted of sick units. Comment.	[05]		
(b)	Assess the problems of SSI in India.	[05]		
4 (a)	Name various central and state level institutions that support SSI in India. Explain policies and schemes of any one of them.	[02+03]		
(b)	What is project? Explain its characteristics.	[02+03]		
5 (a)	Explain various types of project.	[05]		
(b)	Explain in detail the project cycle.	[05]		
6 (a)	Explain the process of network analysis.	[05]		
(b)	Compare and contrast CPM and PERT.	[05]		

COURSE OUTCOMES		MODULES COVERED	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9	PO10	PO11	PO12
CO's	DESCRIPTION													
CO1	Understand the fundamental concepts of Management and Entrepreneurship													
CO3	Describe the functions of Managers, Entrepreneurs and their social responsibilities													

Cognitive level	KEYWORDS
L1	List, define, tell, describe, identify, show, label, collect, examine, tabulate, quote, name, who, when, where, etc.
L2	summarize, describe, interpret, contrast, predict, associate, distinguish, estimate, differentiate, discuss, extend
L3	Apply, demonstrate, calculate, complete, illustrate, show, solve, examine, modify, relate, change, classify, experiment, discover.
L4	Analyze, separate, order, explain, connect, classify, arrange, divide, compare, select, explain, infer.
L5	Assess, decide, rank, grade, test, measure, recommend, convince, select, judge, explain, discriminate, support, conclude, compare, summarize.

PO1	Engineering knowledge	PO7	Environment and sustainability
PO2	Problem analysis	PO8	Ethics
PO3	Design/development of solutions	PO9	Individual and team work
PO4	Conduct investigations of complex problems	PO10	Communication
PO5	Modern tool usage	PO11	Project management and finance
PO6	The Engineer and society	PO12	Life-long learning

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1 (a) Define Small Scale Industries (SSI). Discuss role of SSI.

MARKS
[02+03]

CO

RBT

Small Scale Industries Definition

A small enterprise in which investment in plant & machinery ranges between Rs. 25 lakhs to Rs. 5 crores is a small-scale industry. Similarly, for industries that provide services, the investment requirement is between Rs. 10 lakhs and Rs. 2 crores.

Role and Importance of Small Scale Industries

- Increases production
- Increases total exports
- Improves the employment rate
- Opens new opportunities
- Advances welfare

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(b) Discuss the impact of World Trade Organization (WTO) and globalization on SSI [05]

The global trade environment has undergone profound changes with in the past decade. The formation of World Trade Organisation (WTO) has redefined the structure of the international trade framework. The WTO has altered the basic principal of trade, regional grouping, merger and acquisition, barrier free movements, foreign direct investment, bilateral and multilateral agreements etc. which have become the order of the day. During great depression of 1930s the international trade was badly affected and various countries imposed import restrictions for safeguarding their economies. This resulted in a sharp decline in the world trade. In 1945, USA put forward many proposals for extending international trade and employment. Further, after the Second World War, many countries decided to work on ways and means to promote international trade. This resulted the signing of the General Agreement on Tariffs and Trade (GATT) by 23 countries in 1947.' India was one of the founder members of GATT. The General Agreement on Tariffs and Trade worked out at the Howana Conference (1947-48) embodies a set of rules and principles designed to promote international trade in general and the reduction of tariff barriers in particular. The core of the GATT in the words of Prof Sidney J. Wells is 'an understanding by the contracting parties to engage in mutual tariff reduction and to extend to all other contracting parties any reduction made in favour of participating countries.'^ GATT remained confined to two basic function, viz., tariff reduction and removal of non tariff barriers. GATT took major decisions by having discussions and negotiations through meetings

2 (a) Explain the concepts of SSI in detail. [05]

a. Examples of traditional small industries are khadi and handloom, village industries, handicrafts, sericulture, etc.

b. Modern small scale industries produce a wide range of goods from comparatively simple items to sophisticated products such as television sets; electronics control system, various engineering products, particularly as ancillaries to large industries.

a. The traditional small industries are highly labour intensive, while the modern small scale units make use of highly sophisticated machinery and equipment.

b. The share of traditional small industries in the total output of this sector is less than the modern small industries.

c. Unlike modern small industries, traditional village industries cannot provide full time employment to workers, but instead can provide only subsidiary or part-time employment to agricultural labourers and artisans.

d. Traditional small industries are largely carried on by labourers and artisans living below the poverty line, while modern small industries can provide good source of livelihood.

(b) Discuss the steps taken by Government of India to improve condition of SSI. [05]

1. Government should ensure that adequate financial assistance is provided to SSIs through banks and financial institutions. The rate of interest on loans should be low. Financial assistance must be provided to SSI through unsecured loans or after obtaining minimum security.

2. Insurance coverage must be extended to new and existing small scale industries.
3. The gap that exists between consumers and small business must be bridged through effective marketing. Lot of industrial fairs, exhibitions must be organized by the government to encourage the sale of SSI products.
4. The infrastructural facilities must be improved and measures must be taken to enhance the supply of water, electricity to backward and rural areas.
5. Technological support must be provided to SSI to import machinery at lower cost.
6. Many industrial estates must be established by the government.
7. The informal money market should be regulated to avoid exploitation by money lenders on small scale industrialists.
8. Training must be provided to entrepreneurs in technological, managerial, financial and marketing areas.
9. Awareness campaigns must be carried out in full swing to encourage youngsters to become first generation entrepreneurs.
10. The sick industries must be rejuvenated instead of liquidation.
11. The licensing procedure must be simple and at ease.
12. Fair Incentives and subsidies must be given to SSI units and an awareness must be made about the incentives available to new entrepreneurs
13. Export promotion schemes must be devised in such a way that encourages SSI to export their goods.

3 (a) SSI in India is constituted of sick units. Comment.

[05]

(i) Cooperation between Term-Lending Institutions and Commercial Banks:

Since commercial banks provide working capital, they are in a position to know about the working of industrial concern. But assistance from term-lending institutions is also essential for rescue operations.

(ii) Coordination between Various Government Agencies:

All government agencies, both regulatory and promotional, must join hands to restore sick units to health.

(iii) Full cooperation from various suppliers, unsecured creditors and other stakeholders, particularly from the employees, is also essential to take the concern out of the difficulties in which it is involved.

(iv) Willing Cooperation and Clear Understanding with the Project Promoters:

Generally there is a lack of trust and confidence among the various interests concerned. It is found that government agencies and dealing institutions are more worried about their money and are anxious to recover them instead of curing of the health of the sick

units.

(v) Checking Over-Valuation of Inventories:

The banks should verify on a regular basis the valuation of inventories both in terms of quantity and price. This would prevent over-borrowing on the hypothecation of inventories.

(vi) Marketing:

There should be well organised and scientific marketing by the project promoters otherwise launching of a project will be a leap in the dark. Good marketing arrangements will prevent industrial sickness.

(vii) Recovery of Outstanding:

Every effort should be made to realize outstanding advances so that the concern is able to gather funds to avoid sickness.

(viii) Modernisation of Machinery:

If the sick unit is to be restored to health, old and obsolete machinery and outdated technology should be discarded at the earliest.

(ix) Improving Labour Relations:

Restrictive labour and unreasonable trade unions are great obstacles. Improving labour relations will go a long way in curing industrial sickness.

(x) Efficient Management:

If necessary inefficient management should be replaced. The key to industrial health lies in alert and efficient management. The management should show a calm approach, patience and perseverance, courage and ability to steer in bad weather.

(xi) Performance Incentives:

It is necessary to offer performance incentives to the executives and the workers to induce them to put in their best efforts. This will be quite helpful in curing industrial sickness.

(xii) Sympathetic Government Attitude:

During periods of industrial illness the government agencies should adopt a sympathetic and understanding attitude so that the problem is not aggravated but moves towards a solution instead.

(xiii) Austerity and Economy:

Austerity and disciplines should be enforced at all levels. Every effort should be made in raising funds internally through the sale of excess assets, surplus machinery, etc. Uncalled for tours, lavish entertainments, unnecessary personal expenses should be ruthlessly cut down.

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(b) Assess the problems of SSI in India. [05]

Delay in sanction of working capital and time gap between sanction of term loan and working capital

Poor and obsolete technology Problems related to availability of raw material • Inadequate demand and other marketing problems • Erratic power supply, Labour problem , Infrastructural constraints • Inadequate attention to research and development • Inability of the units to face growing competition due to liberalization and globalization, Slow technology adaptation in mitigation of environmental management • Technology system and lack of enforcement of existing procedure

4 (a) Name various central and state level institutions that support SSI in India. [02+03]
Explain policies and schemes of any one of them.

(i) Small Scale Industries Board (SSIB):

Development Act, 2006 and established the National Board for Micro, Small and Medium Enterprises (NBMSME) and made rules there under in the year 2006. This Board examines the factors affecting promotion and development of MSMEs and reviews policies and programmes from time to time relating to these enterprises, from time to time and makes recommendations to the Government in formulating the policies for the growth of MSMEs

The Government of India constituted the National Commission for Enterprises in the Unorganised Sector (NCEUS) to examine the problems of the enterprises in the unorganized/informal sector. The Commission has made recommendations to provide technical, marketing and credit support to these enterprises.

The various policies and schemes of Government assistance for the development of rural industries insist on the utilisation of local resources and raw materials and locally available manpower. These are translated into action through various agencies, departments, corporations, etc., all coming under the purview of the industries department. All these are primarily concerned with the promotion of small and rural industries

(i) Small Scale Industries Board (SSIB):

It was established in 1954 to provide effective coordination and inter- institutional linkages for the benefit of small scale sector.

It consists of the following members:

- a. Union Industry Minister
- b. State Industry Minister
- c. Selected members of Parliament
- d. Secretaries of department concerned
- e. Eminent experts in the field

STATE LEVEL INSTITUTIONS

There are two important development agencies constituted at which provide financial assistance for setting up of industrial project small and medium-scale sector. These institutions also part modernisation, expansion and diversification programmes of existing units. The area of operation of these state level institutions is limited respective state.

STATE FINANCIAL CORPORATIONS (SFCs)

State Financial Corporations have been established under the Financial Corporation Act, 1951. At present there are 18 SFCs operating states as per list given in Appendix

9.I State Financial Corporation,, provide long-term finance for setting up of the smaller projects within their region.

The State Financial Corporations (SFCs), operating as development are state-level financial institutions, playing a crucial role in the level small and medium enterprises in the states in tandem with the national

The SFCs provide financial assistance by way of term loan, subscription to equity/debentures, guarantees, discounting of bills of and seed/special capital. The SFCs operate a number of schemes of and equity type assistance on behalf of IDBI/SIDBI, in addition to the schemes for artisans, and special target groups such as SC/ST, women, ex-servicemen and physically handicapped.

The SFCs (Amendment) Act, 2000 which became effective in 2000, provide greater flexibility to the SFCs to cope with the challenges by the deregulated financial system.

STATE INDUSTRIAL DEVELOPMENT CORPORATIONS (SIDCs)

The State Industrial Development Corporations (SIDCs) were c under the Companies Act, 1956 as wholly owned undertakings of the governments with the specific objectives of promoting and developing and large industries in their respective states/union territories. These cc extend financial assistance in the form of rupee loans, underwriting subscriptions to shares/debentures, guarantees, inter-corporate de also opens letters of credit on behalf of its borrowers. SIDCs undertake of promotional activities including preparation of feasibility reports, conducting industrial potential, surveys entrepreneurship training & development programmes and developing industrial areas/estates. Some SIDCs also offer a package of developmental services that include technical guidance, assistance in plant location and co-ordination with other agencies. With a view to providing infrastructural facilities for the establishment of industrial units, SIDCs are involved in the setting up of industrial growth centres. To keep pace with the hanging economic environment, SIDCs have initiated various measures to expand the scope of their activities and have entered into various fee-based activities.

Of the various SIDCs in the country, those in Andaman & Nicobar, Arunachal Pradesh, Daman & Diu and Dadra & Nagar Haveli, Goa, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Pondicherry and Sikkim also act as SFCs to provide assistance to small and medium enterprises and act as promotional agencies for this sector.

State Industrial Development Corporation operate at slightly higher level than SFCs though these institutions are also primarily working as development banks promoting industrial projects in small and medium scale. A list of SIDCs given in Appendix 9.II.

(b) What is project? Explain its characteristics.

[02+03]

A project plan can be considered to have five key characteristics that have to be managed:

Project is composed of set of activities that should be carried out to obtain certain objectives in a certain time and certain locality. In other words the temporary effort made to develop a unique product, service or results is said to be project. Project is referred as an investment on which resources are employed to make assets that will generate benefits over a wide period of time. Project is unique process that contains group of coordinated and controlled activities having beginning & ending dates and these activities are performed to accomplish certain objective in the light of some requirement including time, resources and cost constraints.

- **Scope:** defines what will be covered in a project.
- **Resource:** what can be used to meet the scope.
- **Time:** what tasks are to be undertaken and when.
- **Quality:** the spread or deviation allowed from a desired standard.

- **Risk:** defines in advance what may happen to drive the plan off course, and what will be done to recover the situation.

5 (a) Explain various types of project.

[05]

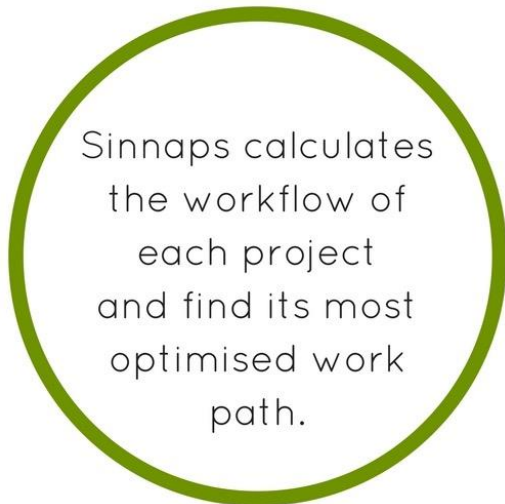
TYPES OF PROJECTS IN PROJECT MANAGEMENT

You may be wondering **what are the different types of projects?** Project management covers the management of projects and their running. Not all projects are the same and vary on a number of different elements that make each project individual. These factors that differ project among themselves must be taken into consideration so that projects can be managed efficiently and effectively regarding each project type.

Project scope: This describes the reach and scale of the project. A project scope varies depending on the amount of people involved and the scale of the impact of its outcomes. Projects can be big or small depending on the scope.

Timeframe: A project’s timeframe is defined from its initiation or conception until result evaluation. A project’s timeframe can also be divided into smaller blocks which in themselves have their own timeframe.

Organisation: The organisation of a project refers to how tasks and activities are organised



and prioritised. The project workflow is calculated in each individual project to reach objectives. Sinnaps project management and planning tool uses technologies such as PERT and CPM to calculate the workflow of each project and find its most optimised work path along with various types of project management tools.

Cost: Projects can be expensive or relatively cheap depending on their overall cost. The Sinnaps app allows you to plan your costs along with any cost updates input by your team in real-time.

Communication: What are the types of project that require communication? Communication is the cornerstone of every project. Among different types of projects, communication, its frequency and its format can vary. However, without effective communication a project will fail. Sinnaps allows for the optimisation of communication through online real-time chat

between team members and project managers.



Stakeholder Management: Projects can vary depending on the number of stakeholders involved. Sometimes, the only stakeholders involved in a project is the team and project manager, but more often than not, there are a wider group of stakeholders involved. The more stakeholders, the more complex the management of their expectations and communication.

Task assignment: Within the different types of projects in project management, there are many different tasks and activities. Projects can vary depending on how these tasks are assigned to team members- whether they will be completed by individual members or groups and how responsibilities will be defined.

Quality of results: Results of projects vary among the different types of projects. They can vary depending on each client's requests

- (b) Explain in detail the project cycle. [05]
According to the [Project Management Institute](#), the project life cycle is critical for any managers hoping to deliver projects to clients successfully. Let's take a look at the steps involved.

The Project Phases Involved:

- Phase 1: The Conceptualization Phase
- Phase 2: The Planning Phase
- Phase 3: The Execution Phase
- Phase 4: The Termination Phase

- 6 (a) Explain the process of network analysis. [05]

Network analysis

Introduction

Network analysis is the general name given to certain specific techniques which can be used for the planning, management and control of projects. One definition of a project (from the [Project Management Institute](#)) is

A project is a temporary endeavour undertaken to create a "unique" product or service

This definition serves to highlight some essential features of a project

- it is temporary - it has a beginning and an end
- it is "unique" in some way

With regard to the use of the word unique I personally prefer to use the idea of "non-repetitive" or "non-routine", e.g. building the very first Boeing Jumbo jet was a project - building them now is a repetitive/routine manufacturing process, not a project.

We can think of many projects in real-life, e.g. building the Channel tunnel, building the London Eye, developing a new drug, etc

Typically all projects can be broken down into:

- separate *activities* (tasks/jobs) - where each activity has an associated duration or *completion time* (i.e. the time from the start of the activity to its finish)
- *precedence relationships* - which govern the order in which we may perform the activities, e.g. in a project concerned with building a house the activity "erect all four walls" must be finished before the activity "put roof on" can start

and the problem is to bring all these activities together in a coherent fashion to complete the project.

Two different techniques for network analysis were developed independently in the late 1950's - these were:

- PERT (for Program Evaluation and Review Technique); and
- CPM (for Critical Path Management)

(b) Compare and contrast CPM and PERT.

[05]

BASIS FOR COMPARISON	PERT	CPM
Meaning	PERT is a project management technique, used to manage uncertain activities of a project.	CPM is a statistical technique of project management that manages well defined activities of a project.
What is it?	A technique of planning and control of time.	A method to control cost and time.
Orientation	Event-oriented	Activity-oriented
Evolution	Evolved as Research & Development project	Evolved as Construction project
Model	Probabilistic Model	Deterministic Model
Focuses on	Time	Time-cost trade-off

Estimates	Three time estimates	One time estimate
Appropriate for	High precision time estimate	Reasonable time estimate
Management of	Unpredictable Activities	Predictable activities
Nature of jobs	Non-repetitive nature	Repetitive nature
Critical and Non-critical activities	No differentiation	Differentiated
Suitable for	Research and Development Project	Non-research projects like civil construction, ship building etc.
Crashing concept	Not Applicable	Applicable