

CLASS-XI
COMMERCE

**Work Book Cum
Question Bank with Answers**

**FUNDAMENTALS OF
ENTREPRENEURSHIP**



**SCHEDULED CASTES & SCHEDULED TRIBES
RESEARCH & TRAINING INSTITUTE (SCSTRI)
ST & SC DEVELOPMENT DEPARTMENT
BHUBANESWAR**

**WORK BOOK CUM
QUESTION BANK WITH ANSWERS**

FUNDAMENTALS OF ENTREPRENEURSHIP

CLASS - XI

(COMMERCE)

Compiled by :

Sri Upendra Nath Mohanty, M.Com.

Retd. Principal,
S. C. S. Junior College, Puri



**SCHEDULED TRIBE & SCHEDULED CASTE
DEVELOPMENT DEPARTMENT
GOVERNMENT OF ODISHA**

Prepared by

**SCHEDULED CASTES & SCHEDULED TRIBES
RESEARCH AND TRAINING INSTITUTE
BHUBANESWAR - 751003**

2020

CONTENTS

<i>Subject</i>	<i>Page No.</i>	<i>Subject</i>	<i>Page No.</i>
• Syllabus (1st Year)	1	UNIT - III	57
• Question Pattern of CHSE	2	• Key Concepts	57
UNIT - I	3	• Group - A : Objective Type Questions	59
• Key Concepts	3	1. Multiple Choice Questions	59
• Group - A : Objective Type Questions	5	2. Do as Directed Questions	62
1. Multiple Choice Questions	5	• Group - A : Answers	64
2. Do as Directed Questions	9	1. Multiple Choice Questions	64
• Group - A : Answers	11	2. Do as Directed Questions	65
1. Multiple Choice Questions	11	• Group - B : Short Type Questions	67
2. Do as Directed Questions	12	3. Questions to be answered within 30 words	67
• Group - B : Short Type Questions	13	4. Questions to be answered within 50 words	68
3. Questions to be answered within 30 words	13	• Group - B : Answers	69
4. Questions to be answered within 50 words	14	3. Questions to be answered within 30 words	69
• Group - B : Answers	15	4. Questions to be answered within 50 words	72
3. Questions to be answered within 30 words	15	• Group - C : Long Type Questions	75
4. Questions to be answered thin 50 words	18	• Group - C : Answer	76
• Group - C : Long Type Questions	22	UNIT - IV	81
• Group - C : Answer	23	• Key Concepts	81
UNIT - II	35	• Group - A : Objective Type Questions	83
• Key Concepts	35	1. Multiple Choice Questions	83
• Group - A : Objective Type Questions	37	2. Do as Directed Questions	87
1. Multiple Choice Questions	37	• Group - A : Answers	89
2. Do as Directed Questions	40	1. Multiple Choice Questions	89
• Group - A : Answers	42	2. Do as Directed Questions	90
1. Multiple Choice Questions	42	• Group - B : Short Type Questions	92
2. Do as Directed Questions	43	3. Questions to be answered within 30 words	92
• Group - B : Short Type Questions	45	4. Questions to be answered within 50 words	93
3. Questions to be answered within 30 words	45	• Group - B : Answers	94
4. Questions to be answered within 50 words	46	3. Questions to be answered within 30 words	94
• Group - B : Answers	47	4. Questions to be answered within 50 words	97
3. Questions to be answered within 30 words	47	• Group - C : Long Type Questions	100
4. Questions to be answered within 50 words	50	• Group - C : Answer	101
• Group - C : Long Type Questions	53		
• Group - C : Answer	54		

SYLLABUS (1ST YEAR)

Unit - I

- **Entrepreneur :**

Meaning and definition, the charms of being an Entrepreneur, Essential Qualities of an Entrepreneur, Factors Affecting Entrepreneurial Growth : Economic Factors, Non Economic Factors and Government Policy, Types of Entrepreneurs- large, small.

Unit - II

- **Selection of Enterprise:**

- i) Types of Enterprises: Micro, Small, Medium and Large Enterprise- Meaning and Characteristics, Benefits and Problems of Micro and Small Enterprises.
- ii) Entrepreneurial Opportunities and Selection of Enterprise, Identification of Entrepreneurial Opportunities, steps in the setting up of an Enterprise.

Unit - III

- **Institutional Support of Entrepreneurs:**

Need for institutional Support, Areas of Support from the following specialized Institutions: SIDBI, SIDO, SISI, NSIC, FIEO, SFCS, IPICOL, APICOL, IDCO and DIC.

Unit - IV

- **Developing Entrepreneurial Competencies :**

Meaning of Entrepreneurial Competency, Need for Developing Competencies, Entrepreneurship Development Programme: Needs and Objectives, Major institutions conducting EDPs.

QUESTION PATTERN OF CHSE

Theory	:	80 marks
Project Work	:	<u>20 marks</u>
Total	:	100 marks

Group - A (Objective type - Compulsory)

1. Multiple choice Questions (12 bits questions of 1 mark each) 1 x 12 = 12 marks
2. Do as directed questions
 - a) Express in one word/term
 - b) Correct the underlined portion
 - c) Fill in the blanks
 - d) Answer in one sentence(12 bit questions of 1 mark each) 1 x 12 = 12 marks

Group B (Short type Answer)

3. To be answered within 30 words (10 bit questions to be answered out of 13 given, each carrying 2 marks) 2 x 10 = 20 marks
4. To be answered within 50 words (4 bit questions to be answered out of 6 given, each carrying 3 marks) 3 x 4 = 12 marks

Group C (Long Answer type)

- 5.to (3 questions to be answered out of 5,
9. each carrying 8 marks) 8 x 3 = 24 marks

TOTAL

80 marks

N.B. : Questions have been framed as per the syllabus and pattern of question set in the Annual H.S. Examination conducted of CHSE, Odisha.

UNIT-I

KEY CONCEPTS

Meaning and definition, the charms of being an Entrepreneur, Essential Qualities of Entrepreneur, Factor affecting Entrepreneurial Growth : Economic Factors, Non Economic Factors and Government Policy, Types of Entrepreneurs - Large and Small.

- Entrepreneurs are people who have the ability to see and evaluate business opportunities; to gather the necessary resources to take advantage of them; and to initiate appropriate action to ensure success.
- **Common characteristics of entrepreneur.**
 - (a) Innovation, creative.
 - (b) Exploiter or dreamer or conceiver of new ideas, products, services, manuals, Risk taken, organiser.
 - (c) Answer all highly motivated to achieve the goal.
- Intrapreneur is an entrepreneur with an already established organisation.
- The word entrepreneur is derived from the French 'Entreprendre' which means 'to undertake'. With reference to economic activities in 1725, Richard Cantillon, an Irishman living in France, the word entrepreneur described as bearer of risk and uncertainties.

THE CHARMS OF BEING AN ENTREPRENEUR

In comparison to population the proportion of entrepreneurs in India is very small. The prime reason being fear of failure and paucity of fund. However some brave persons come forward to start business because of the following reasons. Freedom and independence, converts dreams into reality, self-Actualization, More income, Social Recognition, Building Retirement Value, No Unemployment problem for children, Enhancing Scope for growth and expansion and opportunity to contribute to the society.

ESSENTIAL QUALITIES OF ENTREPRENEUR

Entrepreneurs play a great role in economic development of a country, Essential qualities are : Visionary leader, innovativeness, Initiative Assertiveness, Commitment, Monitoring, Adaptive, Perseverance, Social Responsibility.

FUNCTIONS OF AN ENTREPRENEUR

However, all entrepreneurs all over the world perform the same functions which are as follows :

1. Discovery of Idea
2. Detailed Investigation
3. Arrangement of factors of production.
4. Financial Management Function.

Those include - Estimating Financial requirement, Identifying the sources of Finance, Borrowing / raising finance, Effective utilisation of Finance.

5. Production Management
6. Managerial function
7. Marketing function
8. Human Resource Management Function
9. Accounting Function

FACTORS AFFECTING

An enterprise cannot exist in heaven. The surroundings or environment in which the business is to operate. Factors may be

1. Economic factors such as economic system, Infrastructure, Capital, General Economic Conditions, Market, Technological Factors.
2. Non economic factors such as family background, Religion, Desire to achieve, corporate culture, political environment, Demographic environments, competitive factors.
3. Government related factors - such as Institutional Financial Support, Loan at lower or no interest, Easy repayment facility, financial incentive for the industries located in remote areas, tax holidays, conducting entrepreneurial development programme, Export subsidy, Establishment of industrial estate, providing technical and managerial guidance through some specialised institution.

GOVT POLICY FOR DEVELOPMENT OF ENTREPRENEURSHIP

The Government continuously evolves and implements varieties of policies in response to the changing needs of the time. Such policies especially those relating to industry and business more relate to the pattern of industrial growth, Flow of Foreign Direct Investment (FDI), Technology transfer, exports and imports etc. Some of the important policy initiative taken by government for entrepreneurial growth are as follows :

1. Industry Policy Resolution.
2. National Policy for Skill Development and Entrepreneurship 2015.
3. Start-up India Scheme.
4. Stand-up India Scheme for SC/ST and Women entrepreneurs.

TYPES OF ENTREPRENEURS - LARGE AND SMALL

Large - where investment exceeds Rs.10 crores. Basically capital intensive, mass production along with sophisticated equipment and technology. Managed by professional people and more legal formalities.

Small - Investment in plant and machinery is taken as the basis.

	<u>Manufacturing</u>	<u>Service Sector</u>
Micro	Upto Rs. 25 lakhs	Upto Rs. 10 lakhs
Small	Between Rs. 25 lakhs and Rs. 5 crore	Between Rs. 10 lakhs and Rs. 2 crore
Medium	Between Rs. 5 crore and Rs. 10 crore	Rs. 2 crore to Rs. 5 crore

UNIT - I**GROUP - A : OBJECTIVE TYPE QUESTIONS**

1. *From the following alternatives given below in each bit choose the correct answer.*

1. An entrepreneur is a/an
 - (a) Risk Bearer
 - (b) Promoter
 - (c) Innovator
 - (d) All of the above
2. Entrepreneur is basically a / an
 - (a) Manager
 - (b) Servant
 - (c) Owner
 - (d) Outsider
3. An entrepreneur is required to have
 - (a) Innovative mind
 - (b) Foresightness
 - (c) Risk taking capacity
 - (d) All of these
4. For Industrial development entrepreneur is
 - (a) Necessary
 - (b) Unnecessary
 - (c) Irrelevant
 - (d) Wastage of money
5. Intrapreneur is an
 - (a) Independent person
 - (b) Dependent persons
 - (c) Semi-Independent persons
 - (d) None of these
6. For an entrepreneur innovation means
 - (a) Introduction of new products
 - (b) Adoption of new methods of production
 - (c) Creation of new market
 - (d) All of these
7. A new product is brought in by
 - (a) Entrepreneur
 - (b) Intrapreneur
 - (c) Both Entrepreneur and Intrapreneur
 - (d) Manager
8. Bearing of risk is the primary function of
 - (a) A Manager
 - (b) An Entrepreneur
 - (c) A consultant
 - (d) An employee
9. A craftman when becomes an entrepreneur is called
 - (a) Trading entrepreneur
 - (b) Technical entrepreneur
 - (c) Non-technical entrepreneur
 - (d) Induced entrepreneur
10. The word entrepreneur was first used by
 - (a) Richard cantillon
 - (b) Schumpeter
 - (c) J. B. Say
 - (d) Peter Drucker
11. Joseph Schumpeter identified entrepreneur essentially as a / an
 - (a) Inventor
 - (b) Organisers
 - (c) Innovator
 - (d) Planner

12. A trading entrepreneur is concerned with
- Manufacturing only
 - Selling activities only
 - Buying activities only
 - Both buying and selling activities
13. Transformation of innovative ideas and resources into business proposition is the work of
- Inventor
 - Scientist
 - Entrepreneur
 - Bankers
14. The word 'Entrepreneur' is originated from
- France
 - Germany
 - USA
 - England
15. Fabian entrepreneurs are mostly
- Smart
 - Active
 - Innovative
 - Lazy and Shy
16. Types of entrepreneurs like non-worker bee are
- Innovative
 - Irritating
 - Fabian
 - Drone
17. The input considered as 'life blood' for business is
- Capital
 - Raw materials
 - Market
 - Machineries
18. The surroundings which influence the growth of business is
- External surroundings
 - Internal surroundings
 - Environment
 - Infrastrucutre
19. Economic factor includes
- Caste
 - Community
 - Society
 - Market
20. Non-economic factors include
- Labour
 - Infrastructure
 - Family background
 - Raw material
21. The community reputed for family based business is :
- Gujuratis
 - Marawaris
 - Jindal
 - All of the above
22. Pluarlistic Society refers to
- Personal characteristics
 - Values
 - Family background
 - Different linguistic group
23. The Stand-up India Scheme is to promote
- All entrepreneurs
 - SC / ST Womem entrepreneurs
 - OBC entrepreneurs
 - Differently entrepreneurs
24. Demographic Dividend relates to
- Senior Citizen
 - Youth
 - Women only
 - Children
25. Infrastructure comprises of the provision of
- Communication
 - Health facilities
 - Electricity
 - All of the above
26. Motivator is a / an
- Economical factor
 - Social factor
 - Psychological factor
 - Political factor

27. An entrepreneur with inborn qualities is called
(a) Pure entrepreneur
(b) Spontaneous entrepreneur
(c) Motivated entrepreneur
(d) None
28. Entrepreneur assists :
(a) Poverty Elimination
(b) Economic Development
(c) Capital formation
(d) All of these
29. According to sociological approach, entrepreneurship is :
(a) Process of Sensitivity
(b) Process of role performance
(c) Process of economic change
(d) All of these
30. Entrepreneurship is a game of :
(a) Money (b) Time
(c) Skill (d) None of these
31. An entrepreneur plays an important role in :
(a) Economic development
(b) Political development
(c) Religious development
(d) None of these
32. Industrial Policy Resolution are announced
(a) Every year
(b) Once in every 5 years
(c) Once in every 10 years
(d) As and when required
33. National Policy for Skill Developed and Entrepreneurs 2015 superseded earlier policy announced in the
(a) 2005 (b) 2009
(c) 2012 (d) 2014
34. An enterprise after its incorporation is considered as a 'start-up' to
(a) 3 years (b) 4 years
(c) 5 years (d) 6 years
35. The turn over of a start-up in a financial year should not exceed
(a) 10 crore (b) 15 crore
(c) 20 crore (d) 25 crore
36. Future of entrepreneurs in India is
(a) Bright (b) In Dark
(c) Normal (d) None of these
37. Which of the following is a government related factor, affecting the growth of entrepreneurship.
(a) Subsidy (b) Tax-holiday
(c) Sales Tax (d) All the above
38. An economic system may be
(a) Communist
(b) Capitalist
(c) Socialist
(d) All the above
39. Entrepreneurship leads to influence in gross National Product
(a) Decrease
(b) Increase
(c) Neither increase nor decrease
(d) None of above
40. In which way Entrepreneurship affects the unemployment
(a) Increase
(b) Decrease
(c) Neither increase nor decrease
(d) None of above

41. Employment provided by small entrepreneur is :
(a) Large (b) Marginal
(c) Small (d) None of these
42. Capital required for small entrepreneur is :
(a) Large (b) No capital
(c) Small (d) None of these
43. Small entrepreneurs are :
(a) Capital intensive
(b) Labour intensive
(c) Both (a) and (b)
(d) None of the above
44. Criteria used for judging the concept of small entrepreneurs is :
(a) Quantitative
(b) Qualitative
(c) Both (a) and (b)
(d) None of these
45. Investment Limit Specified for plant and machinery in a small scale unit.
(a) More than 1 crore
(b) Less than 1 crore
(c) No limit
(d) None of these
46. Gestation period for small entrepreneurs is :
(a) Larger
(b) No gestation period
(c) Lesser
(d) All of these
47. According to Government of India, 1991, what is the limit of Investment in Plant and Machinery of Ancillary Industries.
(a) Not exceeding Rs. 1 crore
(b) Not exceeding Rs. 75 lakhs
(c) Not exceeding Rs. 50 lakh
(d) None of the above
48. Amount of Investment in Plant and Machinery in Tiny Units is :
(a) Not exceeding Rs. 5 lakhs
(b) Not exceeding Rs. 6 lakhs
(c) Not exceeding Rs. 2 lakhs
(d) Not exceeding Rs. 3 lakhs
49. In Women run enterprise, minimum contribution of capital by women :
(a) 10% (b) 40%
(c) 51% (d) None of these
50. A women entrepreneur should provide employment to women.
(a) 51% (b) 15%
(c) 70% (d) None of these

2. *Do as Directed Questions*

2 (a) *Answer the following questions in one sentence each.*

1. Define entrepreneur.
2. Who is Intrapreneur ?
3. What is Entrepreneurship ?
4. What do you mean Economic factor affecting entrepreneurial growth.
5. From which sanskrit word the word entrepreneur is originated ?
6. How the word “Entrepreneur” is derived ?
7. In a developing country how entrepreneurs is defined ?
8. In developed country how it is defined ?
9. What do you mean by women entrepreneur according to Government of India ?
10. What do you mean by ‘economic growth’ ?
11. What do you understand by FTZ or EPZ ?

2 (b) *Express the following in one word / term each.*

1. Name the process of creating a new product or service.
2. What is other name of imitative entrepreneurs?
3. Name the entrepreneurs who convert raw-materials into finished products.
4. Which type of entrepreneurs use locally available raw materials ?
5. Which type of entrepreneurs use locally available raw materials ?
6. Name the person who transform innovative ideas into business proposition.
7. Give one example of technical entrepreneur.
8. “Entrepreneur is one who is driven by the need for achievement” Who has said this ?
9. What is full form of MSME ?
10. What is SIDBI ?
11. What is NCGTC ?

2 (c) Correct the underlined portion of the following sentences.

1. Intrapreneur assumes the total risk and responsibility of the business.
2. A promoter of a company is called trading entrepreneur.
3. Labour is the life blood of any business enterprises.
4. Trade discount is deducted from the amount of a debt realised.
5. Innovative managers are called entrepreneur.
6. Creating a new product for business purpose is called invention.
7. Industrial entrepreneurs are primarily concerned with marketing activities.
8. An entrepreneur is a semi-independent person.
9. Political factors have direct and immediate influence on entrepreneurs.
10. The economic system followed by a country may be capitalistic or communistic.
11. Prime Minister of India announced “Start-up India” in his Independence Speech August 15, 2014.

2 (d) Fill in the blanks.

1. Caste and community is an important _____ factor that influences growth of entrepreneurship.
2. The process of creation of venture is called _____.
3. Large industries are _____ intensive.
4. Entrepreneurs play an important role in removing regional disparities through setting up business in _____ areas.
5. An entrepreneur with no entrepreneurial family background is called _____.
6. An entrepreneur who runs _____ industries are called technical entrepreneurs.
7. Entrepreneurs have _____ impact on rural development.
8. An entrepreneur is a _____ person.
9. Entrepreneurs help in _____ substitution.
10. Entrepreneurs are helpful in _____ promotion.
11. Units located in Export Promotion zones are exempted from payment of _____ tax.

UNIT - I**GROUP - A : ANSWERS**

1. From the following alternatives given below in each bit choose the correct answer.

1. (d) All of the above
2. (c) Owner
3. (d) All of these
4. (a) Necessary
5. (c) Semi-Independent persons
6. (d) All of these
7. (c) Both Entrepreneur and Intrapreneur
8. (b) An Entrepreneur
9. (b) Technical entrepreneur
10. (a) Richard cantillon
11. (c) Innovator
12. (d) Both buying and selling activities
13. (c) Entrepreneur
14. (a) France
15. (d) Lazy and Shy
16. (d) Drone
17. (a) Capital
18. (c) Environment
19. (d) Market
20. (c) Family background
21. (d) All of the above
22. (d) Different linguistic group
23. (b) SC / ST Woem entrepreneurs
24. (b) Youth
25. (d) All of the above
26. (c) Psychological factor
27. (b) Spontaneous entrepreneur
28. (d) All of these
29. (b) Process of role performance
30. (c) Skill
31. (a) Economic development
32. (d) As and when required
33. (b) 2009
34. (c) 5 years
35. (d) 25 crore
36. (a) Bright
37. (d) All the above
38. (d) All the above
39. (b) Increase
40. (b) Decrease
41. (a) Large
42. (c) Small
43. (b) Labour intensive
44. (c) Both (a) and (b)
45. (b) Less than 1 crore
46. (c) Lesser
47. (b) Not exceeding Rs. 75 lakhs
48. (a) Not exceeding Rs. 5 lakhs
49. (c) 51%
50. (a) 51%

2. Do as Directed Questions

2 (a) Answer the following questions in one sentence each.

1. Entrepreneur is one who creates his own business, operates and shares the risk of business.
2. Intrapreneur is an employee with innovative ideas assuming no risk and capital.
3. It is the process of creation of venture of entrepreneur.
4. This is the economic environment which influences directly and immediately on entrepreneurial growth.
5. Entrepreneur has come from the Sanskrit word "Antaraprerana" which means the will to start a business which must come from within.
6. The word is derived from french word "Entreprenre" which means "Undertakes the risk of enterprise.
7. In developing economy like ours, entrepreneur has been defined as promoter, an organiser and a co-ordinator.
8. Entrepreneur is a person who forsees the opportunity and tries to explain it by introducing a new product, new methods of production, a new market, new cources of raw material or a new combiation of factors of production.
9. Those entrepreneurs who runs an enterprise owned and controlled by her and having minimum financial interest upto 51% of the capital and giving at least 51% employment to women.
10. A positive charge in level of production of goods and servies by a country over a certain period of time.
11. FTZ (Free Trade Zone) or EPZ (Export Processing Zone) is an industrial estate where export oriented uited are given various facilities such as tax exemption, no import duties, no quantitative ristraction.

2 (b) Express the following in one word / term each.

1. Innovation
2. Adoptive Entrepreneurs.
3. Manufacturing/Industrial Entrepreneurs.
4. Small scale entrepreneurs.
5. Small Scale entrepreneurs.
6. Entrepreneur.
7. Craftman
8. David McClelland
9. Micro, Small and Medium Enterprises.
10. Small Industies Development Bank of India.
11. National Credit Guarantee Trust Company.

2 (c) Correct the underlined portion of the following sentences.

- | | | |
|---------------------------|--------------------------|---------------------|
| 1. Entrepreneur | 5. Intrapreneur | 9. Economic factors |
| 2. Corporate entrepreneur | 6. Innovation | 10. Socialistic |
| 3. Capital | 7. Trading entrepreneurs | 11. August 15, 2015 |
| 4. Stand-up India Scheme | 8. Intrapreneur | |

2 (d) Fill in the blanks.

- | | | |
|---------------------|---------------------|------------|
| 1. Social | 5. First generation | 9. Import |
| 2. Entrepreneurship | 6. Technology based | 10. Export |
| 3. Capital | 7. Positive | 11. Income |
| 4. Backward | 8. Creative | |

UNIT - I**GROUP - B : SHORT TYPE QUESTIONS****3. Answer the following questions within 30 words each.**

1. Who is an entrepreneur ?
2. Define entrepreneur according to Joseph Schumpeter.
3. What do you mean by entrepreneur according to Peter E. Drucker ?
4. Define Entrepreneur as mentioned by R. Cartillon.
5. Define entrepreneur as per International Labour Organisation (ILO).
6. Do you think an entrepreneur is innovative by nature ?
7. Define Intrapreneur.
8. What do you mean by second generation entrepreneurs or Entrepreneurs by inheritance ?
9. Who are Aggricultural entrepreneurs ?
10. What do you mean by Fabian Entrepreneurs ?
11. What do you mean by Imitative Entrepreneurs?
12. Who are forced Entrepreneurs ?
13. What are different classification of entrepreneurs as mentioned by Clarence Danlof ?
14. Who are Servicing Entrepreneurs ?
15. Who are Spontaneous Entrepreneur ?
16. Who are Pure Entrepreneurs ?
17. What are different personal values for development of entrepreneurship ?
18. What are primary objective of National Policy for Skill Development and Entrepreneurship 2015 ?
19. Who are rural entrepreneurs ?
20. Who are Non-technical Entrepreneurs ?
21. What should be mental ability of entrepreneurs ?
22. How entrepreneur helps to sustain balanced Regional Development ?
23. How far entrepreneurs provide for dispersal of Economic Power ?
24. How for entrepreneur is capable of achieving significant financial reward ?
25. How entrepreneurship keeps entrepreneur in skill acquisition ?
26. What extent entrepreneur contributes to the society ?
27. Why Jean Baptist Say, a french economist and industrialist described entrepreneur as organiser ?
28. Why entrepreneur is described as visionary leader ?
29. How entrepreneur creates value addition in society ?
30. In which way Gerald A. Silver defines Entrepreneur ?
31. What are different entrepreneur on the basis of capital ownership ?
32. Define business environments.
33. What do you mean by demographic environment ?
34. What is single window clearance system ?

35. What is cluster approach for developing entrepreneurship ?
36. What should be form of large enterprise ?
37. What are basic problems faced by small scale industry ?
38. What should be promotional activities ?
39. Why small scale industries should co-ordinate with large scale industries ?
40. How many District Industries Centre (DIC) was set up by Government of India in support for installation and working of SSI ?
41. Why the Government establishes the industrial estate ?
42. Why NCGTC (National Credit Guarantee Trust Company) is created ?
43. What significant change in economy system in 1991 was made with related to private sector?
44. What is the purpose for providing Training of Rural Youth for Self-employment (TRYSEM)?
45. Define Rural Industries.

4. Answer the following questions within 50 words each.

1. What are the main characteristics of an 'entrepreneur'.
2. Write a brief note on evolution of 'entrepreneur'.
3. Explain briefly important qualities of an entrepreneur.
4. Are entrepreneur Born or made ?
5. Distinguish between entrepreneur and manager.
6. What is meant by Intrapreneurs ?
7. Difference between Entrepreneur and Intrapreneur.
8. What are different steps of Entrepreneurial process ?
9. What are the features of an Intrapreneur ?
10. What are functions of women entrepreneur ?
11. Discuss growth of women entrepreneur.
12. What are problems of women entrepreneurs ?
13. What are remedies for the problems of women entrepreneurs ?
14. What are different schemes introduced by Government for women entrepreneurs ?
15. Capital is the 'life blood' of any business enterprises explain.
16. Why 'Start-up India' is a revolutionary steps for fostering entrepreneurship in India ?
17. Discuss the scope of Small Enterprises in Manufacturing Sector.
18. Discuss Advantages of M.S.M.E. (Micro, Small, Medium Enterprise)
19. What are the features of Rural Entrepreneurship ?
20. Discuss the types of Rural Entrepreneur.
21. What are different measures for the development of rural entrepreneurs ?
22. Discuss the Government Role to increase the base of technical Entrepreneurs.
23. Distinction between large enterprise and small enterprise.
24. Mentioned some Renowned Entrepreneurs of India.
25. Discuss stand-up India scheme for SC/ST and Women Entrepreneur.

UNIT - I**GROUP - B : ANSWERS****3. Answer the following questions within 30 words each.**

1. An entrepreneur is a business leader and not merely a capitalist. He is a man of vision, initiate and a risk taker. He discovers a business opportunity and explain it commercially.
2. An entrepreneur is defined as an innovation who uses the process of innovation to shutter the statusquo through combing resources and new methods of commerce.
3. An entrepreneur is one who always search for a change, responds to it and exploits it as an opportunity.
4. An entrepreneur is the agent who buys factors of production at certain prices in order to combine them into a product with a view to selling it as uncertain prices in future.
5. Entrepreneurs are the people who have the ability to see and evaluate business opportunities; to gather the necessary resources to take advantages of them and to initiate appropriate action to ensure success.
6. Yes, an entrepreneur is innovative by nature. He always searches new ideas and opportunities. Takes initiative by exploring new products, new market, new raw material and new methods of production.
7. Intrapreneur is an employee with innovative ideas to do something creating a new product, improving the existing method of production, exploring a new market, thinking a new channel of distribution.
8. They are entrepreneurs who inherit the family business and pass to next generation like Ambani, Tata, Godrej, Birla etc. They are born and brought up in the entrepreneurial environment.
9. Those entrepreneurs use technology and mechanization in agricultural activities. Those activities include not only in cultivation and irrigation and also allied activities like Diary farming, Poultry farming etc.
10. Those entrepreneurs are always conservative, cautious and suspicious in experimenting any change in their businesses. They are very shy, lazy and lethargic in nature.
11. Those are characterized by their preference to adopt innovations successfully introduced by innovative entrepreneurs. They do not innovate but imitate the products and techniques of innovative entrepreneurs.
12. Those who become entrepreneurs due to circumstances fall in this category. Yesterdays money lenders are starting their business because of decline of money lending business with the growth of banking and government legislation.
13. Clarence Danhof or the basis of his study of American Agriculture classified entrepreneur as Innovative, Imitative, Fabian and Drone entrepreneurs.
14. These are the entrepreneurs who specialize in providing different types of services like transportation, advertising, public warehousing, tours and travels.

15. Those entrepreneurs start the business out of their natural talent with own initiative, boldness and confidence in themselves which activate them to undertake entrepreneurial risk.
16. Those entrepreneurs ventured into entrepreneurial ship from the temptation out of Psychological or monetary reward. They are status conscious and want recognition.
17. Those are high moral values, honesty and integrity, accepting changes as a way of life, high level confidence, ability to inspire loyalty, equality and justices in decision making.
18. The primary objectives are to meet the challenge of skilling at scale with speed, standard (quality) and sustainability.
19. They are the persons who set up business in rural areas where they use locally available resources for production of goods and services. They depend more on unskilled labour force and traditional technology.
20. Those entrepreneurs are not technically qualified and thus they deal with marketing and distribution areas for operation.
21. Mental ability refers to the level of intelligence, toughness and courage where entrepreneur anticipate change and can take remedial measures to direct his business as proper line.
22. An entrepreneur establishing business in backward areas with governmental incentives and concession helps to reduce regional imbalances.
23. With successful implementation entrepreneurship in different areas monopoly activities of big industries are broken and thus ensures equitable distribution of wealth.
24. Entrepreneurship offers a greater possibility of achieving significant financial reward than working for some one.
25. Entrepreneurship is a training ground where individual acquires and develops skills for creativity.
26. Entrepreneur contributes to the society by producing new goods and providing new services, utilizing idle resources, helping development of backward regions and undertaking social responsibility such as promotion of educational institutions, hospitals, parks, relief works etc.
27. He described entrepreneur as organizer as entrepreneur combines various factors of production to produce socially useful products and sells them in market.
28. This is so because entrepreneur has a vision for further growth and development, commitment to constructive change and energy to achieve the result.
29. An entrepreneur makes value addition by creating a new product and adding a new service in the society.
30. Entrepreneur is an individual who conceives ideas for a new product or service, then finds some why of raising capital to form a business to produce the product or service.
31. Those are private entrepreneur, state entrepreneur and joint entrepreneurs.
32. It refers to all those aspects of the surroundings of business firm and circumstances of business which have effect on the activities and operations of the individual or firms.

33. Demographic features such as size and growth of population, life expectancy, male - female ratio, education and rural-urban distribution of population influence growth of entrepreneurship.
34. For speed disposal of application for setting up new industries Government has introduced single window clearance system at the District Industry Centres (DIC) and Directorate of Industries.
35. To develop common facility for quality development and technology upgradation a cluster group of SSIs is created with the help of industry association of that area.
36. Due to large size, the ownership structure of these enterprise takes the company form of organization.
37. Basically SSI faces two types of problem such as external from outside which are beyond control and the internal problems arises due to faulty planning and poor project implementation.
38. With a view to promote small scale units, a wide varieties of incentive in the form of subsidies, grants, rebates, reservation of items, concession in the supply of land, power etc. are given to such units.
39. The co-ordination is required for development of both in the sense that small industries provides tools, equipment, spare-parts, semi-finished goods at low cost to large business for further use and processing and subsequent marketing.
40. In 1978, Government of India set up DIC in 460 districts of the country for the purpose.
41. In order to relief the SSI arrangements for sewerage, water supply and electricity are provided and then developed premises are sold on easy installment, so that small scale industries will be capable for industrialization.
42. NCGTC is crated for Credit Guarantee mechanism in which loan would be appropriately secured and backed.
43. Due to this private sector are made license free to produce many industrial products.
44. The scheme was introduced to provide basic technical and entrepreneurial skill to rural people below poverty line so that there in self-employment by establishing industries.
45. Government of India define rural industries as "an industry established in rural areas with a population of 20,000 or less whose investment in building plant and machinery is less than 3 crores.

4. Answer the following questions within 50 words each.

1. Certain features of entrepreneurs are :
 - a. Mental ability
 - b. Organising skill
 - c. Innovativeness
 - d. Catalyst of change and loves new ideas
 - e. Determination and commitment
 - f. Accepts responsibilities
 - g. Self confidence
 - h. Leadership ability
 - i. Ready to accept risk and be optimistic
 - j. Congruous and factful.
2. Evolution of entrepreneur which is derived from French word *entreprendre* which means to undertake, are as follows :

18th Century - According to Richard Cantillon entrepreneur is a person who undertakes the risk of new commercial expedition.

19th Century - Entrepreneurs were not differentiated from manager who takes risk, contribute own initiative and skills.

20th Century - Equated the entrepreneur with business promoter and innovator.

21st Century - Entrepreneur is a person adding incremental value to the current product or service.
3. Essential qualities are : Vision, innovativeness, initiative, monitoring, Adaptive, Social responsibility, perseverance, self confident, flexible and open minded, Risk bearing capacity.
4. The long prevalent myth was that entrepreneurs cannot be made through education and training. They have inborn innate traits. Those who support this view cite the names of Henry Ford and Dhirubhai Ambani.

Today, it has been established that entrepreneurship can be acquired through education, training and development. The famous 'Kakinada Experiment' in Andhra Pradesh by David C Mc Clelland in 1964 proved that entrepreneurial trait can be developed.

5.

Entrepreneur	Manager
i) Owner of business	Employee
ii) Assumes risk	Assumes no risk
iii) Profit is reward	Salary, Commission and bonus
iv) Innovate and makes decision	Implements the plan
6. Intrapreneur is an employee of large organization who uses entrepreneurial skill to develop a new product or line of business. He is given authority and full support is provided to create a new product without having to be concerned about whether or not product will actually become a source of revenue for the company. Thus, an intrapreneur is an inside entrepreneur.
7.

Entrepreneur	Intrapreneur
i) Owner of business	Employee with innovative ideas
ii) Enjoys independent status	Work under control of the owner
iii) Provides capital	Provides no capital
iv) Bears all the risks	He assumes no risk
v) Aims to get profit	Wants prestige and recognition besides salary

8. Entrepreneurial process consists of following steps :
 - i) Perceiving and foreseeing a business opportunity.
 - ii) Drawing blue print of business plan.
 - iii) Arranging the factors of production
 - iv) Creating an enterprise
 - v) Marshalling the material and human resources to the best advantage.
9. Following important features
 - i) An intrapreneur creates new business within the organization.
 - ii) Makes innovation in the form of development of new products improvement of existing products, development of improved method of production.
 - iii) Self renewal of main ideas
 - iv) Intrapreneur has to bear calculated risk and accept failure as a learning point.
10. A women entrepreneur has to perform all the functions involved in establishing an enterprise. But in real life where society is male dominated their managerial ability and interpersonal relationship with society are challenged. In order to tackle this they should be strong mind, visionary, amiable and handworking. However, main functions are idea generation, and screening, determination of objective, project preparation, product analysis, completion of promotion as formalities, raising funds, producing men, machine and materials and ascertain of business.
11. Women entrepreneur in India plunged into business for both pull and push factors. Pull factor which encourage them to start venture on urge to do something independently. Push factors refers to compulsion due to economic difficulties and responsibility. Previously women entrepreneur ventured in kitchen activities mainly 3P - Pickle, Powder and Papad. However subsequently started shifting from 3Ps to 3 modern Es - Engineering, Electronic and Energy.
12. General problems of entrepreneurs and problems specific to women entrepreneur.
 - i) family ties and male-dominated society
 - ii) Stiff competition
 - iii) Scarcity of factors of products
 - iv) Lack of education
 - v) Legal formalities
13. The difference between a male and a female must be forgotten as entrepreneurial activities depend competency not an gender. However, remedies for the problems of women entrepreneurs are as follows :
 - i) Proper supply of raw material, creation of finance cell at concessional rate of interest and setting up marketing co-operatives.
 - ii) Changing of social attitude
 - iii) Offering training facilities
14. Government of India recently (15.08.2015) approved introduction of stand-up scheme for SC/ST and women entrepreneurs. Other previous scheme are :
 - (i) Trade Related Entrepreneurship Assistance and Development (TREAD) to develop women entrepreneur in rural and semi-urban grass.

- (ii) Swarna Jayanti Gram Swarozgar Yojana and Swarna Jayanti Sehkari Rozagar Yjana for setting up new industry.
- (iii) Mahila Vikas Nidhi - a fund is created by Small Industries Development Bank of India for promoting rural womens entrepreneurship.
- (iv) Training and Employment of Women - Self-Help Group (SHG).
- (v) Mahila Udayam Nidhi - introduced by IDBI to provide equity assistance to small scale entrepreneur.
- (vi) Mission Shakti Programme.
15. Capital is one of the most essential requirement to set u a business enterprise. Availability of capital helps the entrepreneur to bring together the land, machine and raw material to start the business entrepreneurial activities will be increased depending upon availability of capital.
16. In order to help the people who wish to start their own business, start-up India was introduced by PM on August, 15, 2015. Those people who have ideas and capabilities, will be supported by Government for the implementation. An official Gazate notification come upto force from 17.02.2016, where Department of Industrial Policy and promotion under the Ministry of Commerce and Industry will take care.
17. The scope is vast. In includes - Industrial Sector and Service Sector.
- Industrial sector includes traditional sector such as Handicraft, Handloom, Khadi and Cottage, Coir, Sericulture and Modern Sector includes Powerloom.
- Service Sector includes Typing, Tailoring, Transport, Advertising, Restaurant, Beauty Parlor.
18. Advantages are :
- i) Generation of employment
 - ii) Utilisation of local resources
 - iii) Ensures balanced regional development.
 - iv) Export promotion and import substitution
 - v) Supplement to large scale industries.
19. Distinctive features
- i) Labour intensive
 - ii) Traditional Skill
 - iii) Local Resources
 - iv) Local Needs
 - v) Scatteredness
20. This may be
- (a) Farm entrepreneur - They donot possess any land but takes up family as industry with land of others.
 - (b) Artisan Entrepreneur - They have certain skill and use it for their business and earn their livelihood, Blacksmith, Carpenter, Plumber.
 - (c) Merchant Entrepreneurs - They purchase goods and sells those to rural people to make profit.
21. Various measures for the development of rural entrepreneurs are :
- (i) Swarna Gram Swarozgar Yojana (SGSY)
To create income generating assets through bank credit and government subsidy.

(ii) Smpoorn Gramen Rozgar Yojana (SGRY)

To provide additional wage payment in rural areas through cash and food.

(iii) Rural Infrastructure Development Fund (RIDF)

Fund is created to enhance the infrastructure in rural areas

(iv) Training of Rural Youth for Self-employment (TRYSEM)

22. Government has taken the following steps

(i) Formed National Science and Technology Entrepreneurship Development Board (NSTED).

(ii) Entrepreneurship Awareness Camp

(iii) Entrepreneurship Development Cell in different educational institutes.

(iv) Financial support through various financial institution.

23.

	Large Enterprise	Small Enterprise
1. Capital	Minimum capital investment of Rs. 10 cores	Maximum Rs. 1 crore or plant and machinery
2. Nature	Capital intensive	Labour intensive
3. Ownership	Company form	Sole proprietorship and partnership
4. Registration	Licensing and Registration is required	Should be registered DIC or Director of Industries.

24. i) Jehangir Ratanji Dadabhoy Tata (J.R.D. Tata)

ii) Dhirubhai Ambani - Founder of Reliance Industries Ltd.

iii) Adi Godrej

iv) G.D. Birla

v) Azim Hasham Premji - WIPRO

vi) Narayan Murthy - Infosys

vii) Rahul Bajaj

viii) M. S. Oberei

ix) Dr. Verghese Kurien - Gujarat Co-operative Milk Marketing Federation - Amus.

25. The scheme is intended to facilitate at least two such projects per bank, on an average of entrepreneur the scheme provides for

(i) Refinance through Small Industries Development Bank of India (SIDBI).

(ii) Creation of National Credit Guarantee Trustee Company (NCGTC).

(iii) Handholding Support for borrower.

(iv) The loan under scheme would be appropriately secured and backed by credit guarantee.

(v) Margin money of the composite loan would be upto 25%.

UNIT - I**GROUP - C : LONG TYPE QUESTIONS**

1. Define 'entrepreneur' and explain various characteristics of an entrepreneur.
2. What are the qualities of successful entrepreneurs ?
3. What are the various types of entrepreneurs ?
4. Give an outline of evolution of entrepreneur.
5. What are the charms of becoming an entrepreneur ?
6. Discuss the role of entrepreneur in the economic development of a country.
7. Explain various functions performed to an entrepreneurs.
8. Explain how economic factors help in developing entrepreneurship.
9. State the contribution of social factors for growth of entrepreneurship in India.
10. Discuss the different psychological factors which influence the growth of entrepreneurship.
11. Discuss National Policy for Skill Development and Entrepreneurship 2015.
12. Explain Low Political Factors influence entrepreneurial growth.
13. What are Government Policies relating to the growth and development of Industry ?
14. Explain the essential features of "start-up India" scheme.
15. Explain the essential feature of "stand-up India" scheme.
16. What are Action Plan of Start-up India and Stand-up India Scheme ?
17. What is SHG (Self Help Group) ? State it's features and advantages.
18. Discuss the principles of formation of SHGs and mention their problems.

UNIT - I

GROUP - C : ANSWER

1. Entrepreneurs are people who have the ability to see and evaluate business opportunities; to gather the necessary resources to take advantage of them; and to initiate appropriate action to ensure success.

Characteristics of entrepreneurs - Various authors have pointed out certain features about a person which contribute towards developing a complete entrepreneur.

- (i) Mental Ability - An entrepreneur should be a man of more than average intelligence so that he can quickly understand business problems, anticipate change and can take remedial measures to direct his business on proper lines.
- (ii) Organising Skill - Entrepreneur should have organizing skill in putting together all the factors of production to form an enterprise.
- (iii) Innovativeness - Ability to bring something new into existence is termed as innovativeness. Developing new product, creating new method of production, searching for new market are some innovative activities.
- (iv) Team Building - An entrepreneur should have the ability to build and sustain group.
- (v) Moderate risk taker - An entrepreneur must accept risk according to his capabilities.
- (vi) Technical Skill - An entrepreneur should know the technical details of his manufacturing process.
- (vii) Communicative Skill - An entrepreneur has to exchange ideas with the employees, customers, banker and supplier.

- (viii) Goal Orientation - He must have capacity to set short-term as well as long term goals.

- (ix) Decision making ability - An entrepreneur should have to take decision in uncertain situation.

- (x) Social Responsible - An entrepreneur must care for the society as an enterprise is a part of society.

- (xi) Business Secrecy - An entrepreneur should not divulge the secrecy of manufacturing method, marketing network etc. to others.

- (xii) Other Features - Like motivator, self confidence, commitment, leadership, foresight, initiative.

2. Qualities required for successful entrepreneur, have been viewed differently by different thinker. Sociologist regards qualities of an entrepreneur in terms of caste, family, social status, recognition and place of residence.

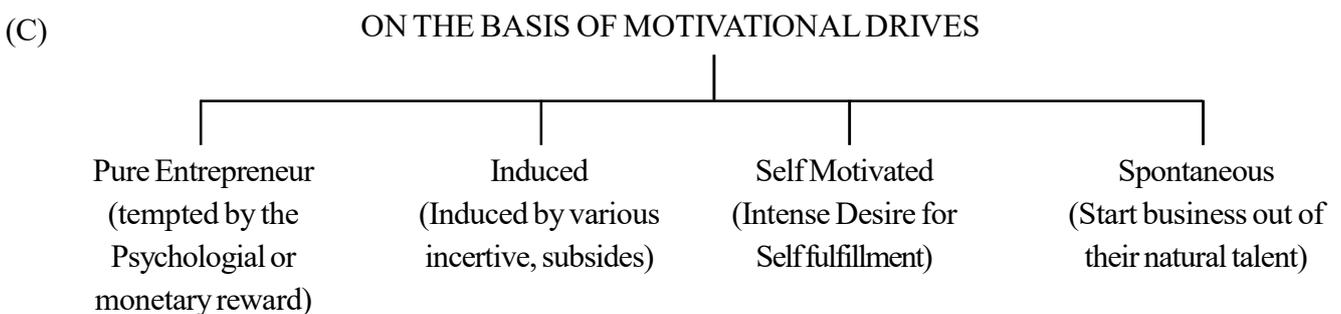
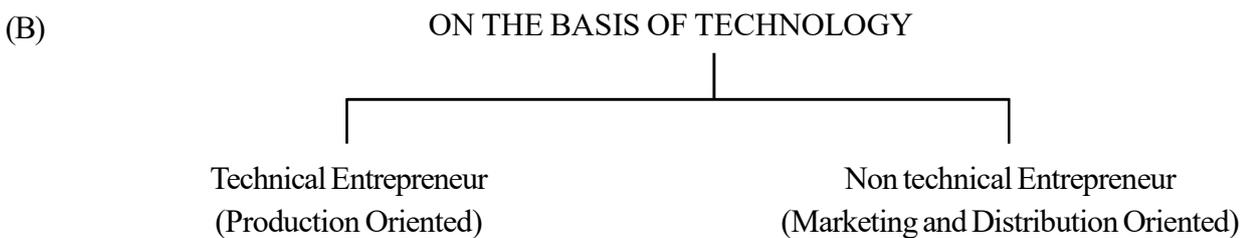
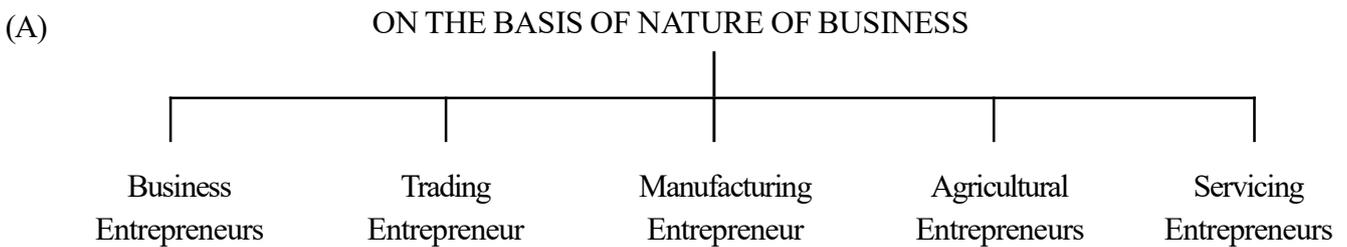
Psychological regard entrepreneur as different from common man on the basis of their will to achieve objective.

Economists term his qualities with regard to special circumstantial qualities like professional conditions, financial conditions and ethical expertise etc.

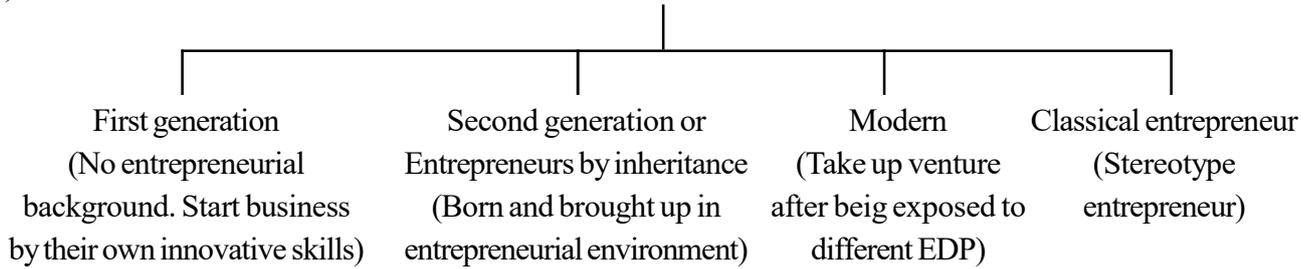
A workshop on entrepreneurship was conducted by East-West Centre in Honolulu in 1997, which prepared a list of qualities of a successful entrepreneur: (i) Self-confidence, (ii) Task-result oriented, (iii) Risk-bearing, (iv) Leadership, (v) Originality and (vi) Future Oriented.

However important qualities of successful entrepreneur are :

- (i) Decision making ability : Decision should be rational and profitable
 - (ii) Entrepreneurial ability
 - (iii) Leadership ability - Developing and implementing new ideas and taking part in social life. Consult effort to increase one's strength and remove weakness. Proper planning of work and time. Developing one's leadership traits learn from one's mistake. Dedication towards goals. Delegation of authority and fixing of responsibility. To have confidence in own capacities. Co-operation with others. To share success of organisation with employees.
 - (iv) Risk-bearing capacity
 - (v) Knowledge of business environment
 - (vi) Ability of better planning
 - (vii) Social and moral qualities
 - (viii) Technical skills
 - (ix) Organisation skills
 - (x) Other qualities - Include humanitarian approach, sharp minded, commitment, determination and perseverance, realism and sense of humour, integrity and reliability, ambition, optimistic, farsightedness.
3. Entrepreneurs are classified into different type on the basis of nature and type of business they undertake, size and scale of operation they opt for, their place of location, the nature of technology they adopt and a host of other such consideration.

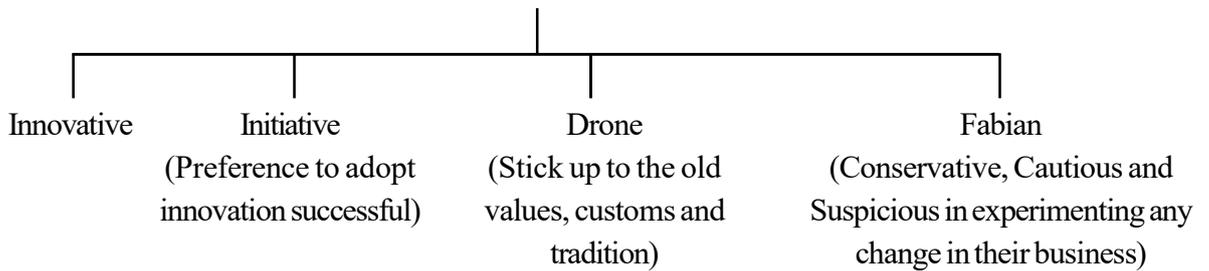


(D) ON THE BASIS OF STAGES OF DEVELOPOMENT

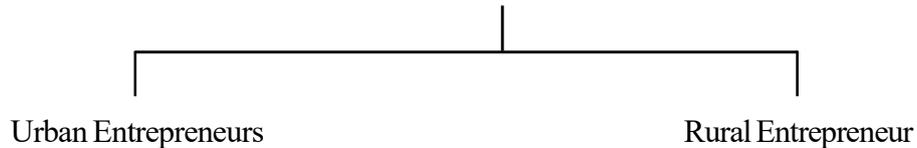


(E) BASIS OF PERSONAL CHARACTERISTICS, TRAITS OR SKILL

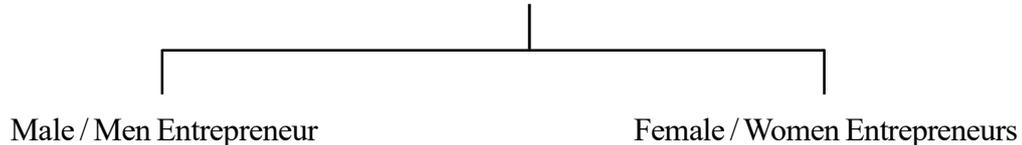
(CLASSIFICAITON GIVEN BY CLEARANCE DANHOF)



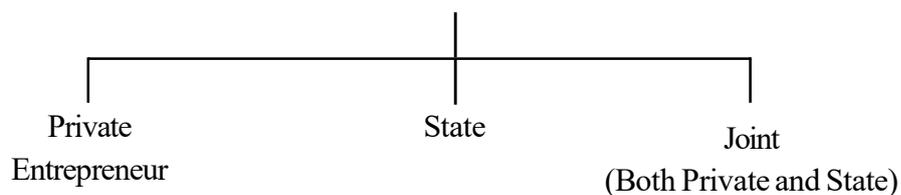
(F) BASIS OF LOCATION OR AREA OF OPERATION



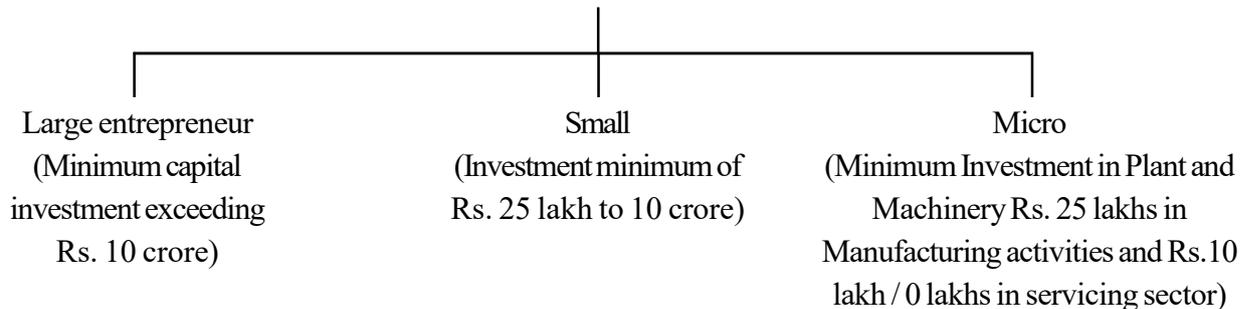
(G) BASIS OF GENDER



(H) BASIS OF CAPITAL OWNERSHIP



(I) BASIS OF SCALE



4. The word entrepreneur is derived from the French language 'Entreprendre' which means to 'to undertake'. In the beginning of 16th Century, this term was applied to the leaders of military expeditors in France. In 17th Century, this word was used for other courageous tasks of engineering activities like construction of roads, building, bridges, ports and other civil defence works. Infact, entrepreneurs in the ancient times, were soldiers, adventurers, builders and merchants.

In 1725, Richard Cantillon, an Irishman living in France, first used the term 'Entrepreneur' with reference to economic activities. He described entrepreneur as bearer of risk and uncertainties. According to him, wealth is created by entrepreneurs, who assume major risk in terms of equity, time and commitment of providing some goods and services for value.

In 1803, Jeer Baptiste say, a French economist and industrialist, described entrepreneur as organizer, who combines various factors of production to produce socially useful products and sells them in the market.

In 1910, Joseph A. Schumpeter, an Austrian economist, referred entrepreneur as an innovator who breaks existing system of production through new combinations of resource allocation, new methods of production and new markets for trade.

In 1961, David McClelland, a well known Management Author, emphasized the need for achievement qualities of an entrepreneur.

In 1964, Peter F. Drucker, a reputed management expert, described entrepreneur is one who always searches for change, responds to it and exploits it as an opportunity.

In 1985, Robert D. Hisrich, described an entrepreneur as a visionary leader. He has a vision for further growth and development, commitment to constructive change and energy to achieve result.

5. Generally entrepreneurs seek their career as such because of the charm of self employment and employment generation. Major charms of being an entrepreneur are as follows :

- (i) Opportunity to create own Destiny
- (ii) Opportunity to make a difference
- (iii) Opportunity to create employment
- (iv) Opportunity to contribute to society
- (v) Opportunity to reach full potentiality
- (vi) Opportunity of unlimited possibilities
- (vii) Opportunity to achieve the desired objectives
- (viii) Opportunity to achieve the desired objectives
- (ix) Opportunity to become a visionary leader
- (x) Opportunity to become economic development
- (xi) Opportunity for innovation
- (xii) Opportunity for motivating others
- (xiii) Opportunity of being independent
- (xiv) Opportunity for excitement
- (xv) Improved social status and recognition

6. The entrepreneurs play a significant role in economic development of a country as they bring productivity to the factors of production and make effective utilization of natural resources. They serve as a catalyst in the process of industrialization. They are the pioneers in bringing up new business. The role played by the entrepreneurs varies from country to country depending upon the material

resources, industrial climate and more importantly the political responsiveness towards entrepreneurship. By and large, the contribution of entrepreneurs to economic developments are :

- (i) Innovator in economic growth - An entrepreneurs brings new ideas, products, technology into business.
 - (ii) Generation of Employment - starting own enterprise not only becomes self employed but also provides employment to many.
 - (iii) Improvement in per capita income - per capita income increases when Gross National Product (GNP) increases. GNP increases when industries are set up by entrepreneur.
 - (iv) Capital formation - when the business of entrepreneur grows it attracts private parties to invest and thus capital formation is created.
 - (v) Balanced Regional Development - An entrepreneur establishing business in backward areas reduces regional imbalances to certain extent.
 - (vi) Improvement in standard of living - Entrepreneurs supply variety of qualitative products at reasonable price and thus remove the scarcity of essential commodities. It makes the life easier as the commodities are available.
 - (vii) Import substitution - Entrepreneur try to produce these goods within the country indigenously. Therefore, burden on import reduced and a lot of foreign exchange is saved.
 - (viii) Export promotion - various liberalisation measures taken by the Government help an entrepreneur to establish new industries especially for export.
 - (ix) Self reliance - Entrepreneurs by starting industries, produce the goods to cater the demand of nation so a country becomes economically independent and does not depend much or other countries.
 - (x) Dispersal of Economic Power - Government took various measures to encourage entrepreneurship. As a result the number of entrepreneurs were multiplied. The setting of large number of industries help to check monopoly activities and ensures equitable distribution of wealth.
 - (xi) Local Development - Entrepreneurs play a important role in meeting local demand by utilizing local material and skill. Thus it leads to social development.
7. The entrepreneurs all over the world the same function which are outlines below :
- (i) Discovery of Idea - Conceiving an idea is the first step in any form of business. An entrepreneur visualizes the possible business opportunities that can be exploited profitably. For this he may take the help of DIC, Technical Consultancy Organisation (TC) Centre for Entrepreneurship Development (ED).
 - (ii) Detailed Investigation - Before starting the enterprise must make a detailed enquiry. This includes statutory restriction, technical details, requirement of manufacturing process, man power requirement, estimating prospective demand. He also make a cost benefit analysis to assess the economic ability of the project.
 - (iii) Arrangement of factors of production. Entrepreneur has to arrange land, labour, equipment and capital for starting the business.

- (iv) Financial Management Function. This functions includes
- (a) Estimating Financial requirement
 - (b) Identifying the sources of finance
 - (c) Borrowing/raising finance
 - (d) Effective utilization of finance
- (v) Production Management - The essential features of production function is to bring together machines, materials and men together to produce goods or services that can satisfy human wants.
- (vi) Managerial function - Managerial function of an entrepreneur consists of planning, organizing, staffing, co-ordinating, directing and controlling.
- (vii) Marketing Function : This functions refers to the process of putting the finished product in the lord of the ultimate consumers. Entrepreneur has to make market survey, prepare market strategies, maintain customer relation, respond to customer.
- (viii) Human resource management function. Human resource management assists of estimating man power requirements, recruitment, selection and training, performance appraisal, giving proper remuneration, providing motivation to the employees.
- (ix) Accounting functions - Entrepreneurs do the accounting functions such as recording of financial transaction, journal, cash book, subsidiary books. Mechanised accounting system should be developed.
8. Dependence of business an economic environment is total i.e. from input to output and ultimately sales. The survival and success of the business enterprise is finally decided by economic factors. The following are the most important economic factors that affect the growth of entrepreneurship.
- (a) Capital - Capital is the life blood of business. On the basis of availability of capital the entrepreneurs who have innovative ideas could put them into relating of activating the business. All the factors line land, labour, material, machine can be combined to produce goods and services and again help to reach the customer by providing products and services.
 - (b) Labour - The quality and quantity of labour is another factor which influences the entrepreneurial growth in the country. If entrepreneurial activities are initiated near the places where the sufficient labour is available, then it become easier to carry out business activity comfortable and profitability at less cost.
 - (c) Raw material - Raw materials are required for undertaking to carry out any type of industrial activities.
 - (d) Market - Market is an important factor that, influence entrepreneurial growth. It is medium through which the goods or services reaches the customer.
 - (e) Infrastructure - It comprises of the provision of roads, railways, electricity, communication, telecommunication etc. to the industry. It enables the entrepreneur to get input, make output and avail the market according to their convenience.
 - (f) Economic system - The production and consumption of goods or services are determined by the economic system of country (economic factor may be capitalistic or socialistic or mixed) which ultimating affects the entrepreneurial activities.

- (g) Economic condition - The general economic conditions such as national income, per capita income, distribution of income and economic resources are important determinant of business activity in a country.
10. Every business enterprise is a part of the society and therefore is obviously influenced by social norms, values, attitude, customs and tradition of the society. The following social factors influence the development of entrepreneurship in a society.
- (a) Pluralistic Society - It refers to the society where different ethnic, linguistic, religious, caste and community groups exist. In India where Hindu-82%, Muslim-12%, Sikhs - 2% and others - 4% population reside, the business enterprises grow as per distribution of population.
- (b) Caste and community - Entrepreneurial Quality is found ingrained in the blood of certain caste and communities. For example in India Gujuratis, Marwari's, Baniyas, Parsis and Sikhs in very large numbers are not only found as entrepreneurs inside the country but also in every corner of the world.
- (c) Business and vocational oriented educational background.
- (d) Occupational background - This background encourages individuals to become successful entrepreneurs.
- (e) Family background - Family business passes from one generation to another just like from father to son and then grandson on a hereditary basis. This type of entrepreneurship is innate which as also be enhanced through education, training and skill development programmes.
- (f) Personal characteristics - Personal characteristics like readiness to take risk, desire for achievement, high motivational drives, action oriented mindset, self-confident, self-disciplined, independent life style etc. create a strong base or operate as the breeding ground for entrepreneurial development in the country.
- (g) Social recognition - Social consciousness and belief have however undergone changes during recent time which are considered as favourable for growth of entrepreneurship.
- (h) Demographic factors - The growth of entrepreneurship is more possible by the young generation which constitutes more than 60% of population with age group of 25% to 40% in India.
11. Different psychological factors influence the growth of entrepreneurs. This had been propagated and consequently evinced by many entrepreneurial exports.
- (a) Theory of need for achievement - By David MC Clelland in 1961 - The theory states that people with high need achievement are distinctive in many ways. They like to take risks and these risks stimulate them to greater effort.
- (b) Withdrawal of status report - out of several authors Everett Hagen Stresses the psychological consequences of social change. He believes that the initial condition leading to eventual entrepreneurial behavior is the loss of status by a group. He says that the following four types of events can produce status withdrawal. (i) The group may be displaced by force, (ii) It may have its valued symbols designated, (iii) It may drift into a situation of status inconsistency, (iv) It may not be accepted

the expected status on migration in a new society. He further says that withdrawal of status respect would give rise to four possible reactions and create four different personality types.

- (i) Retreatist - He who continues to work in a society but remains indifferent to his work and position.
- (ii) Ritualist - Defensive behavior and acts in the way accepted and approved in the society but no helps of improving own position.
- (iii) Reformist - Instigates rebellion and attempts to establish new society.
- (iv) Innovator - Creative individuals and in likely to be an entrepreneur.

Hagen maintains that once status withdrawal has occurred, the sequence of change in personality formation is set in formation. He refers that status withdrawal takes a long period of time like five or more generation to result in the growth of entrepreneurship.

- (c) Personal value - The personal values of an entrepreneur are important factors for the growth of entrepreneurship. They are high moral values, honesty and integrity, accepting changes as a way of life, high level of self confidence, ability to inspire loyalty, equality and justice in decision making.
- (d) Motivation - It is most important factors that influence the growth of entrepreneurship. Earning money is an important motivation for any entrepreneur. But money is not alone that inspires an entrepreneur. The other motivating factors are broadly divided into two categories such as internal factors and external factors.

- (i) Internal factors are - Family background, educational background, training and experience, not satisfied with present job, intense desire to make use of own skills, strong desire to change the society by adopting new methods and techniques etc.
- (ii) External Factors Comprise of - Availability of raw materials and other inputs, demand of the product, availability of funds, availability of ready market, short supply of products, government initiative, ready availability of since units at cheaper prices etc.

12. National Policy for Skill Development and Entrepreneurship 2015 supersedes the earlier policy of 2009. The primary objective of this policy is to meet the challenge of skilling at scale with speed, standard (quality) and sustainability. It aims to provide umbrella Framework to all skilling activities being carried out within the country, to align them to common standard and line skilling with demand centre.

Mission -

- (a) Create a demand for skilling across the country
- (b) Correct and align skilling with required competencies
- (c) Connect the supply of skilled human resources with sectoral demand
- (d) Certify and assess in alignment with global and national standard
- (e) Catalyze and ecosystem where in productive and entrepreneurship germinates, sustain and grows leading to creation of a more dynamic entrepreneurial economy and more formal wage employment.

Objective - The core objectives of entrepreneurship frame work is to coordinate and strengthen factors essential for the growth of entrepreneurship

- (a) Promoting entrepreneurship culture
- (b) Encouraging Entrepreneurship as a viable career.
- (c) Enhancing support for potential entrepreneur.
- (d) Integrating entrepreneurship education in the form education system.
- (e) Promoting entrepreneurship amongst women.
- (f) Broadening the base of entrepreneurial supply by meting specific needs of both socially and Geographically, disadvantaged sectors of the society including SC, ST, OBC, minorities and differently abled persons.

Frame work for implementation of Entrepreneurship Policy - Purpose is to unlock entrepreneurial potential

- (a) Educate and equip potential and early stage entrepreneurs.
- (b) Connect entrepreneur to peers, mentors and incubator.
- (c) Support entrepreneur through Entrepreneurship Hubs (E-Hubs).
- (d) Catalyse culture shift to encourage Entrepreneurship.
- (e) Encourage Entrepreneurship among under / unrepresented groups.
- (f) Promote Entrepreneurship amongst women.
- (g) Improve ease of doing business.
- (h) Improve access to finance
- (i) Faster social entrepreneurship and grass root innovations.

13. Political stability is a booster of entrepreneurial activities. A stable and Dynamic political environment play very positive role in the business growth. It leads to the development of positive entrepreneurial climate. However, political environment includes.

- (a) Political ideology of government
- (b) Political stability in the country
- (c) Relations of our nation with outer countries
- (d) Defence and military policy
- (e) Welfare activities of government
- (f) Centre state relationship
- (g) Approach of opposition parties towards business
- (h) Other political factors are - Style of functioning of bureaucracy, Corruption level, Freedom of press, Tariffs, Industrial policy, Taxation policies, Environment policy, Intellectual Property Right (IPR), Import and Export Policy, Trade Union Policy, Consumer Protection Policy etc.

14. The Government continuously evolves and implements varieties of policies in response to the changing needs of time. Such policies especially those relating to the industry and business may relate to the pattern of Industrial growth, Flow of Foreign Direct Investment, Technology transfer, Exports and imports.

Government regulates the industrial activities through various rules, regulation and policies. The Government has been taking various policy measures through the Five Year Plans, to increase industrialization and to make economic growth faster. These policy measures include :

- (a) Institutional Financial Support
- (b) Loan at lower or no interest
- (c) Easy repayment facility
- (d) Financial incentives for the industries located in remote areas
- (e) Tax holidays
- (f) Conducting Entrepreneurial Development Programmes
- (g) Export Subsidy
- (h) Establishment of Industrial estate
- (i) Providing technical and managerial guidance through some specialized institutions.

The Government in its Industrial Resolutions, emphasized on spreading entrepreneurship to small town and villages among the varied social and economic groups.

15. The Prime Minister of India, Shri Narendra Modi had in his Independence Day speech on August 15, 2015, announced the "Start-up India" initiative. This initiative aims at fostering entrepreneurship and promoting innovation by creating an eco-system that is conducive for growth of start-ups.

An official Gazette notification was made on start-up India scheme by Department of Industrial Policy and promotion under the Ministry of Commerce and Industry, Government of India. The notification came into force from 17th February, 2016. The various Ministries of Government of India have initiated a number of activities for the purpose. To bring uniformity in the identified enterprises an entity shall be considered as a "Start-up".

- (a) Upto 5 years from the date of incorporation/ registration
- (b) If its turnover for any Financial Year has not exceeded Rupees 25 crore, and
- (c) It is working towards innovation, deployment or commercialization of new products, processes or services driven by technology or intellectual property.

Provided further that in order to obtain tax benefits a start-up so identified under the above definition shall be required to obtain a certificate of an eligible business from the Inter-ministerial certification of

- (a) Joint Secretary, Departments of Industrial Policy and Promotion.
- (b) Representative of Department of Science and Technology and
- (c) Representative of Department of Bio-Technology.

16. As a part of "start-up India" initiative announced and approved as "Stand-up India" scheme to promote entrepreneurship among SC/ST and women entrepreneur. The scheme is intended to facilitate atleast two such projects per bank branch, on an average one for each category of entrepreneur. It is expected to benefit at least 2.5 lakh borrowers. The expected date of reaching the target of atleast 2.5 each approvals is 36 months from the date of the scheme is launched :

The Stand-up India scheme provides for

- (a) Refinance through SIDBI (Small Industries Development Bank of India) with an initial amount of Rs.10,000 crores.

- (b) Creation of a Credit Guarantee mechanisms through NCGTC (National Credit Guarantee Trust Company).
- (c) Handholding support for borrowers both at pre, loan stage and during operation.
- (d) Focus is an handholding support for both Sc/ST and Women borrowers.
- (e) The loan under the scheme would be appropriately secured and backed by a credit guarantee through a credit guarantee scheme.
- (f) Margin money of the composite loan would be upto 25%. Convergence with state scheme is expected to reduce the actual requirement of margin money for a number of borrowers.

17.(i) E-registration will be done

- (ii) A Self Certification System will be launched
- (iii) A dedicated web portal and mobile app will be developed
- (iv) Arrangement of Self Certificate based compliance
- (v) No inspection during the first 3 years
- (vi) 80% reduction in the application fee of start up patent
- (vii) Easy exit policy
- (viii) Inclusion of Credit Guarantee Fund
- (ix) Relaxation in Income Tax for first three year
- (x) Special arrangement for female applicants
- (xi) Introduction of Atal Innovation Mission. Innovation Courses will be started for the students.

18. SHG is voluntary association of rural people with homogenous social and economic background, who mutually agree to contribute to a common fund, for meeting their productive and emergency credit needs.

This is generally formed by funding agencies and Non-Government Organisations (NGOs). The members pool their small savings. The banks and DRDA (District Rural Development Agency) provide credit support and consultancy. They weep the common fund in a bank in the name SHG. The SHGs take up various economic activities such as farming, animal husbandry, social forestry, agro-service centre etc. for their mutual gain.

Features of SHG

- (a) Voluntary association - The members i.e. the weaker section of the society are voluntarily associated to form SHGs. People come by choice and not out of compulsion.
- (b) Homogeneous Socio-Economic Background. The members forming a SHG usually belong to the same economic and social strata of the society.
- (c) Limited Membership - No rule of thumb. But SHG membership may vary between 10 to 20 which can ensure group cohesiveness.
- (d) Spirit of Thrift - The SHGs encourage thrift by mobilizing the small savings of rural people to a common fund which otherwise ward have been spent on consumption.
- (e) Self Help - The members by forming an association utilize the small savings of them for their own use.
- (f) Self Management - The affairs of a SHG are managed by members themselves.
- (g) Group Cohesiveness - The member of SHGs meet or regular basis, maintain transparency, discuss their problems with open mind, work together and take responsibility jointly.

Advantages of SHGs - The benefit derived from SHGs are :

- (a) The SHGs help individual members to access to the institutional credit.
- (b) Through collective voice they can resist and oppose oppression and exploitation.
- (c) The members improve their skill and capacity to manage resources.
- (d) Through community participation the SHGs play a significant role in rural development.
- (e) They are free from Government control and conduct regular meetings to enhance long lasting group relationship.
- (f) As the SHG are promoted by NGOs and banks; their guidance, training facility and accounting principles improve administration of the group.
- (g) It enhance production and consumption through labour productivity and income generating activities.

19. Principles of SHGs - The basic principles of SHGs are group approach. There are certain broad principles which govern the working of SHGs. These are :

- (i) Savings first, No credit without saving.
- (ii) No security at individual level. But the savings made by members acts as collateral security.

- (iii) Credit decision to individual member is decided at a group meeting.
- (iv) Interest rate and other terms and conditions of repayment is decided by the SHG.
- (v) Joint liability is the substitute for physical collateral.
- (vi) The loan to the members should be given for productive purpose.
- (vii) Peer group members put moral pressure on the loanee members to repay the loan in time.

Problems of SHG - The problems are :

- (i) Lack of skilled labour force and non-availability of infrastructure may create a barrier in functioning of SHG smoothly and efficiently.
- (ii) The official of DRDA and Bank fail to import skill oriented training to these groups.
- (iii) Their formation at the initial stage crates resistance from the prospective members due to the fear and lack of education.
- (iv) Members quarrel over distribution of Revolving Fund among themselves.
- (v) Many struggle to repay the loan as the loan is often diverted towards unproductive purpose.
- (vi) Factionalism and internal rivalry create problem in the management of SHGs.
- (vii) Self-interest and corrupt leadership are also partially cause for the downfall.

UNIT-II

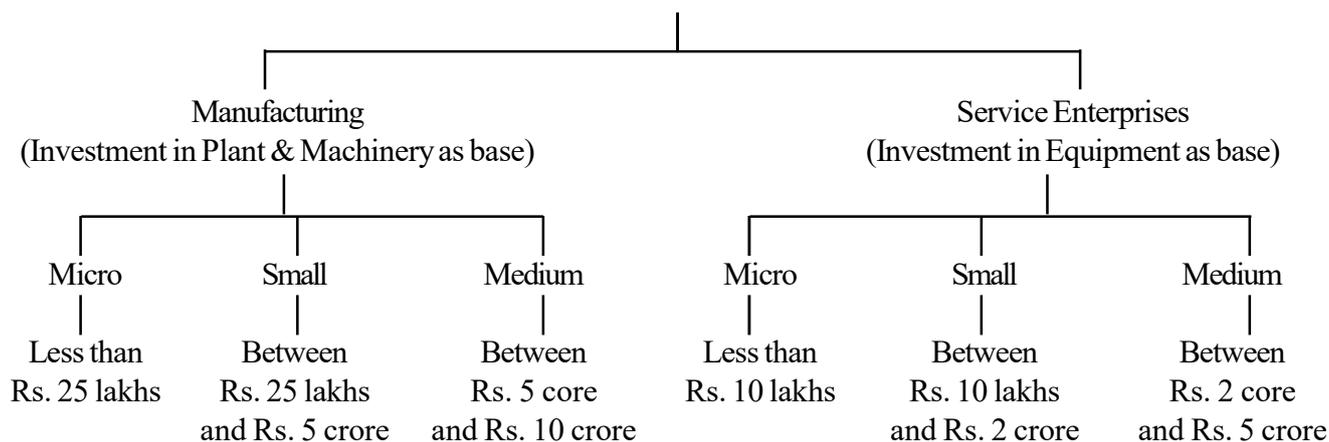
KEY CONCEPTS

Selection of Enterprise

- (a) **Types of enterprises : Micro, Small, Medium and Large Enterprises - Meaning and Characteristics, Benefits and Problems of Micro and Small Enterprises.**
- (b) **Entrepreneurial opportunities and Selection of Enterprise, Identification of Entrepreneurial Opportunities steps in the setting up of an Enterprise.**
- (a) All business enterprises are broadly divided on the basis of their size and scale of operation as Large, Medium, Small and Micro Enterprises. On the basis of the nature of business they are involved in each of above enterprises are divided into as manufacturing or servicing enterprises.

Classification as per MSMED Act - 2006

MSMED ACT, 2006 (Micro, Small, Medium Enterprises)



Large - Scale Industries - Minimum capitals investment more than Rs. 10 crore.

Benefits and Problems of Micro and Small Enterprises

Benefits -

- (1) Generation of Employment Opportunities
- (2) Helps in capital formation
- (3) Uses local skill, technology and resources
- (4) Utilisation of entrepreneurial skills in educated unemployed youth
- (5) Ensures social justice for equitable distribution of national income and wealth
- (6) Ensures Export promotion

Problems -

- (1) Problems of Finance, Raw material, Marketing
- (2) Non-adoption of latest technology
- (3) Under utilisation of capacity on an average it is seen that 40 to 50% of capacity are not utilised in small units.
- (4) Absence of skilled workers may create increase in wastage, quality deteriorate production decreases.
- (5) Poor infrastructure facility
- (6) High incidence of sickness.

(b) Entrepreneurial opportunities and selection of Enterprise

Opportunities is considered as a viable, achievable business idea or an idea that can be a breeding ground for the birth of a business venture. From such conceived ideas, the entrepreneur selected the ideas suited to his own capabilities and subsequently he takes it up as a good investment proposition process of selection of Enterprise.

- (1) Sensing Entrepreneurial opportunities
- (2) Scanning Business Environment
- (3) Identification of business opportunity
- (4) Finally selecting an Enterprise.

Identification and selection of the best opportunity or project

Various Steps are :

1. Preparation of the detailed project report contents are
 - (i) General information, (ii) Promoter, (iii) Location, (iv) Land, Building and Plant, Machinery, (v) Cost of capital and working capital, (vi) Sources of finance, (vii) Market, (viii) Profit, (ix) Project implementation.
2. Selection of form of organisation
An entrepreneur has to choose a suitable form of business out of four alternatives such as (i) Sole proprietorship, (ii) Partnership, (iii) Company, (iv) Co-operative Society.
3. Environment clearance
4. Other clearances such as clearance from Agriculture, DIC, Inspector of Factories, Electricity department.
5. Provisional Registration.
6. Finance
7. Power and water connection
8. Acquiring of land, plant location and pay-out.
9. Recruitment of manpower
10. Procurement of Raw material
11. Quality Assurance
12. Market Research
13. Profit Generation and Reinvestment.

UNIT - II**GROUP - A : OBJECTIVE TYPE QUESTIONS**

1. *From the following alternatives given below in each bit choose the correct answer.*

1. Which type of business helps in balanced regional development.
 - (a) Small business
 - (b) Large business
 - (c) Government companies
 - (d) Private companies
2. MSME Act was passed in
 - (a) 2004
 - (b) 2005
 - (c) 2006
 - (d) 2007
3. Registration of Small Scale Industry is
 - (a) Compulsory
 - (b) Optional
 - (c) Not necessary
 - (d) Required as per situation
4. The investment in Plant and Machinery of Micro industry, does not exceed.
 - (a) Rs. 25 lakhs
 - (b) Rs. 50 lakhs
 - (c) Rs. 75 lakhs
 - (d) Rs. 1 crore
5. Establishment of SSI is made for the purpose.
 - (a) Export Promotion
 - (b) Import substitution
 - (c) Both (a) and (b)
 - (d) Neither of any
6. The investment in Medium Scale enterprise in Plant and Machinery is
 - (a) Upto Rs. 25 lakhs
 - (b) Between Rs. 25 lakhs and Rs. 5 crore
 - (c) Between Rs. 5 crores and Rs. 10 crore
 - (d) None of the above
7. Small Scale Industries are located at
 - (a) Nearer to the source of raw material
 - (b) Raw material available at distant place
 - (c) Raw material available foreign country
 - (d) Semi-finished material of other industry
8. In order to undertake managerial development in MSME what % of EDP is
 - (a) 30%
 - (b) 20%
 - (c) 15%
 - (d) 25%
9. RBI has instructed the Public Sector Bank what percentage growth in credit to MSME.
 - (a) 25%
 - (b) 30%
 - (c) 20%
 - (d) 35%
10. As per MSME Act 2006 Micro enterprises in servicing sector the investment in equipment as base is
 - (a) Less than Rs. 10 lakhs
 - (b) More than Rs. 10 lakhs and less than Rs. 15 lakhs
 - (c) More than Rs. 15 lakhs
 - (d) None of the above
11. Project is prepared by
 - (a) Promoter
 - (b) Government
 - (c) DIC
 - (d) Income Tax Dept.
12. Money spent on preparation of project is
 - (a) Expenditure
 - (b) Investment
 - (c) Wastage
 - (d) Working Capital

13. Permanent registration of SSI is renewed in every
(a) 2 years (b) 4 years
(c) 3 years (d) 5 years
14. Every project must have
(a) Inputs
(b) Outputs
(c) Social cost - Benefits
(d) All the above
15. Business opportunities can be indentified by :
(a) Observing Trend
(b) Solving a problem
(c) Finding marking gap
(d) All of the above
16. Which of the following factor is to be considered while selecting a product or service ?
(a) Competitor
(b) Cost of production
(c) Profit possibility
(d) All of these
17. An enterpreneur resolves to start a business on which basis.
(a) Profit (b) Loss
(c) No profit no less (d) Super profit
18. The market for the product would be at which level.
(a) Regional (b) National
(c) International (d) All of these
19. Sources of ideas for generation of data is
(a) Problem solving (b) Creativity
(c) Competition (d) All of the above
20. Objective of Divergent Thinking :
(a) Generate many different ideas
(b) Gain Insight about the various aspects of the topic
(c) Creating original ideas
(d) All of above
21. Selection of an enterprise depends on :
(a) Sole Trading
(b) Right of Entrepreneur
(c) Ability of Entrepreneur
(d) None of these
22. The point is considered while selecting an enterprise is :
(a) Product
(b) Marketing
(c) Availability of capital
(d) None of these
23. Secrecy is highly ensured in :
(a) Sole proprietorship
(b) Partnership
(c) Joint stock company
(d) Co-operative Societies
24. What determines the form of organisation.
(a) Size (b) Location
(c) Study (d) None of these
25. A successful entrepreneur must possess the quality of :
(a) Leadership (b) Control
(c) Innovation (d) All of these
26. For an entrepreneur more important is :
(a) Invention (b) Innovation
(c) Equally important (d) None of these
27. Objective of Divergent Thinking
(a) Generate many different ideas
(b) Gain insight about the various aspects of topic
(c) Creating original ideas
(d) All of the above
28. Source of ideas for generation of data is :
(a) Problem solving
(b) Creativity
(c) Competition
(d) All of the above

29. What is convergent thinking ?
- (a) Single best solution to a problem
 - (b) Two solutions to a problem
 - (c) Different Alternative solutions to a problem
 - (d) None of these
30. 'Separate Legal' is feature of
- (a) Partnership
 - (b) Co-operative society
 - (c) Sole trading
 - (d) All of Above
31. If comparatively more capital is required which form is suitable.
- (a) Partnership
 - (b) Coompany organisation
 - (c) Sole trade
 - (d) Co-operative Society
32. Large Industries are
- (a) Capital intensive
 - (b) Labour intensive
 - (c) Both (a) and (b)
 - (d) Neither (a) nor (b)
33. Which type of finance is required for work capital ?
- (a) Long term
 - (b) Short term
 - (c) Medium term
 - (d) None of the above
34. Phases of project preparation.
- (a) Pre-investment phases
 - (b) Implementation phases
 - (c) Oprational phases
 - (d) All of above
35. While procuring raw material entrepreneur should take care.
- (a) Cost
 - (b) Assured sources of supply of raw material
 - (c) Quality
 - (d) All of the above
36. The product Quality Certification BIS means
- (a) Bureau of Indian Standards
 - (b) Bureau of Indian Statistics
 - (c) Bureau of Indian Science
 - (d) None of the above
37. Trial production will help
- (a) Tackling problems confronted in production
 - (b) To reduce the chance of loss due to any mistake in project conception
 - (c) Commercial production
 - (d) All of the above
38. Environment clearance is necessary
- (a) Because it is not causing any environmental pollution
 - (b) As the same may be controlled or not controlled
 - (c) To protect the environment from the evils of industrialisation
 - (d) All of the above
39. Tax relief for Small Industries set-up in hilly and backward areas are given tax exemption for
- (a) 5 years
 - (b) 10 years
 - (c) 5 to 10 years
 - (d) None of the above
40. Small Scale Units obtain Term Loan for
- (a) Acquiring Fixed Assets
 - (b) Acquiring Current Assets
 - (c) To meet Current Liabilities
 - (d) None of the above

2. *Do as Directed Questions*

2 (a) *Answer the following questions in one sentence each.*

1. What do you mean by Small Enterprise in service sector ?
2. What do you mean by Small Enterprise in manufacturing sector ?
3. How small scale enterprises is managed ?
4. What is the scope of small scale industries ?
5. What is project ?
6. What do you mean by opportunity ?
7. Whether the registration of SSI is necessary ?
8. From where the approval of factory building and machinery layout is obtained ?
9. What do you mean by village and cottage industries ?
10. What is a project report ?
11. What is complimentary opportunity ?
12. What is break through opportunities ?

2 (b) *Express the following in one word / term each.*

1. A dream or imagination for completion of a task, plan is called.
2. Type of entrepreneur which undertakes production of goods for masses.
3. Type of enterprise where there is no separation of ownership and control.
4. Type of small entrepreneur which are engaged in sale and purchase or exchange of goods and services.
5. What is the name of study which determines the possibility of success of an idea.
6. The scanning of economic, political, socio cultural, technological, nature, demographic and international factors surroundings, is known as:
7. Physical arrangement of machines and equipment needed to manufacture a product is known as :
8. Any property or right which provides a trade a commercial advantage.
9. The contractual agreement between two parties where one party agrees to transfer it's rights to another party is known as :
10. Written document which is prepared by entrepreneur containing all the relevant external and internal elements involved in starting a new venture, is known as :
11. What is full form of NABARD ?
12. The process of selecting one opportunity / enterprise out of many is called as

2 (c) Correct the underlined portion of the following sentences.

1. Small units require more amount of capital investment.
2. In Service Enterprises of Small Scale Industry definition of MSM are defined in term of investment in Plant and Machinery.
3. In Small Business enterprises investment in plant and machinery is more than Rs. 5 crore but does not exceed Rs. 10 crore.
4. Small Industries Development Bank of India (SIDBI) was established in 1982.
5. In 1988, Government of India set-up District Industries Centres in 460 Districts of the Country.
6. Channel of Distribution provides ultimate line with middlemen.
7. Brainstorming is a method of generating old and traditional ideas.
8. Provisional Registration Number is given when commercial production starts by Directors of Industries.
9. Permission for land use conversion and ground water clearance from Town and Country Planning Development.
10. Idea and opportunity are different.
11. Permanent Registration of SSI is renewed in every 3 years.
12. Working Capital enable the entrepreneur to continue with the project till the term loan is disbursed by Financial institution.

2 (d) Fill in the blanks.

1. Micro enterprises are more _____ intensive.
2. Micro enterprises _____ regional imbalance.
3. _____ creates imperfection in the market which ultimately increase the volume of sales and profit.
4. Study of customers and traditions come under _____.
5. Entrepreneurs _____ sense helps in tracking new idea.
6. Idea is just a thought which may not have the Qualities of _____.
7. The focus group is facilitated by a _____.
8. Some companies set up _____ to generate ideas.
9. Industries with least adverse environmental effect are called _____ business.
10. Industrial use of _____ is called Biotechnology.
11. Beauty Parlour is a _____ based business.
12. _____ is the pioneer of SHG.

UNIT - II**GROUP - A : ANSWERS**

1. From the following alternatives given below in each bit choose the correct answer.

1. (a) Small business
2. (c) 2006
3. (b) Optional
4. (a) Rs. 25 lakhs
5. (c) Both (a) and (b)
6. (c) Between Rs. 5 crores and Rs. 10 crore
7. (a) Nearer to the source of raw material
8. (b) 20%
9. (c) 20%
10. (a) Less than Rs. 10 lakhs
11. (a) Promoter
12. (b) Investment
13. (d) 5 years
14. (d) All the above
15. (d) All of the above
16. (d) All of these
17. (c) No profit no loss
18. (d) All of these
19. (d) All of the above
20. (d) All of above
21. (c) Ability of Entrepreneur
22. (c) Availability of capital
23. (a) Sole proprietorship
24. (a) Size
25. (d) All of these
26. (a) Invention
27. (d) All of the above
28. (d) All of the above
29. (a) Single best solution to a problem
30. (b) Co-operative society
31. (b) Coompany organisation
32. (a) Capital intensive
33. (b) Short term
34. (d) All of above
35. (d) All of the above
36. (a) Bureau of Indian Standards
37. (d) All of the above
38. (d) All of the above
39. (c) 5 to 10 years
40. (a) Acquiring Fixed Assets

2. Do as Directed Questions

2 (a) Answer the following questions in one sentence each.

1. A small business enterprise is an enterprise where the investment in equipment is more than Rs. 10 lakh but does not exceed Rs. 2 crore.
2. In small business enterprises investment in plant and machinery is more than Rs.25 lakh but less than Rs. 5 crore.
3. A small scale enterprise is managed by the owner himself.
4. The scope of operation of small scale industries is generally localized catering to the local and regional demand.
5. A project is a proposal of something intended.
6. A set of favourable circumstances that helps in creating a new product, service or business.
7. The registration of SSI is not compulsory but it should be registered with Director of Industries.
8. Inspectorate of factories approve the factory building and machinery layout.
9. Village and cottage industries are those where industries worth is carried on at home.
10. Project report is a summary of information analysis and facts with regard to the essential elements for the beginning of any project.
11. It refers to introduction of new product or idea.
12. The opportunities which bring fundamental changes in structure and character of the business are treated as breakthrough opportunities.

2 (b) Express the following in one word / term each.

1. Promotion
2. Large Scale Industry
3. Small Scale Industry
4. Trading
5. Feasibility
6. Environmental Scanning
7. Plant Layout
8. Intellectual Property
9. Licensing
10. Business Plan
11. National Bank for Agriculture and Rural Development
12. Zeroing in process

2 (c) Correct the underlined portion of the following sentences.

1. Less
2. Equipment
3. Medium Enterprise
4. 1989
5. 1978
6. Customers
7. New
8. Permanent Registration Number
9. Agriculture
10. Same
11. 5 years
12. Bridge loan

2 (d) Fill in the blanks.

1. Labour
2. Decrease
3. Innovation
4. Social forces
5. Sixth
6. Opportunity
7. Moderator
8. Customer Advisory Board
9. Green
10. Micro Organism
11. Home
12. Md. Yunis

UNIT - II**GROUP - B : SHORT TYPE QUESTIONS****3. Answer the following questions within 30 words each.**

1. What are quantitative Criteria related to define concept of small business ?
2. What are the Qualitative Criteria related to define concept of small business ?
3. What are different Manufacturing Industries taken by small entrepreneurs ?
4. Who are small entrepreneurs who carried on Handlooms and Handicraft industries ?
5. What are criteria used to define Handloom and Handicraft Industries ?
6. What are different types of Manufacturing Industries of Modern Small Entrepreneurs ?
7. What are different types of small entrepreneurs engaged in providing personal or household services ?
8. Why small entrepreneur faces the problems of non-availability of skilled workers ?
9. What are the managerial problem of small entrepreneur ?
10. How small entrepreneur provides employment in large sale ?
11. How small industries supports the growth of large industries ?
12. Mention the function of District Industries Centre (DIC).
13. What are functions of National Commission for Enterprises in Unorganised Sector (NCEUS)?
14. What are different schemes offered by WASME (World Association for Small and Medium Enterprise) ?
15. What is the scheme introduced by Government for the growth and development of traditional industries ?
16. Mention the main functions of National Bank for Agriculture and Rural Development (NABARD).
17. What are administrative set-up of Government for Small, Agro and Rural Business ?
18. Why small scale business find it different to come upto global standard of the quality ?
19. Why must of small scale business are in trap of sickness ?
20. What are main functions of Small Industries Development Bank of India (SIDBI) ?
21. What are the essential qualities of an opportunity ?
22. What are the steps in identifying the opportunities ?
23. How new opportunity crops up in the process of finding solution to given problem ?
24. How the gaps in the market place is bridged ?
25. What is Brain storming ?
26. What is Focus Group ?
27. What is survey method of generating new idea?
28. What are other techniques to generate new ideas ?
29. What is the future of food, fruits and vegetable processing industry in India ?
30. What is prospective of Insurance Sector in India ?

31. Why Home-based business are very useful in India ?
32. In order to know whether a project is feasible or not what entrepreneur has to do ?
33. In Identification of an opportunity the cost of product should be considered or not.
34. Why practicality or producing product are considered ?
35. How the competition in the market can be challenged ?
36. How creating is transferred into innovation ?
37. What do you mean by Information processing ?
38. What are different thinking mode for problem solving and idea generation ?
39. What is the meaning of substitution in the process of generating ideas ?
40. What do you mean by Operational Evaluation for Testing and Evaluating shortlisted business opportunities ?
41. What is SWOT Analysis ?
42. Why project report is prepared ?

4. Answer the following questions within 50 words each.

1. State the features of SSI.
2. Mention the advantages of Small Scale Industries.
3. What are problem of SSI ?
4. Why small scale enterprise cannot compete with large scale enterprise so far as technology is concerned ?
5. Justify how far small entrepreneurs play a crucial role in ensuring equitable distribution of national income as .
6. How far small entrepreneurs are helpful to promote balanced regional development ?
7. How standard of living is enhanced due to promotion and growth of small scale enterprise ?
8. Why small enterprises are under-utilised ?
9. "Sole proprietor is suitable for small scale business" justify.
10. "Still Sole Proprietor has immense problems to tackle the competitive situation of market" Mention the reasons.
11. Why the small scale business face the problem of shortage of funds ?
12. How far small scale business is helpful to conserve local resources ?
13. What are the contents of project report ?
14. What are different steps involved in assessment of idea in order to find out which idea or opportunity is viable ?
15. Mention the different stages of project preparation.
16. What are different opportunities as mentioned by management expert Peter f. Drucker ?
17. "Every idea cannot be converted into an opportunity". Ideas and opportunities are same. Justify.
18. How opportunities and problem solving are closely related ?
19. What are different Elements of business opportunity ?
20. Always "opportunity and idea are not same". Justify.
21. How entrepreneur visualize and identify the business opportunity ?
22. How far every project is influenced by analyzing social cost - benefit analysis ?
23. How commercial Evaluation of Project is made ?
24. How 'SWOT' Analysis can be used in project identification ?
25. Why project report is prepared ?

UNIT - II**GROUP - B : ANSWERS****3. Answer the following questions within 30 words each.**

1. This is related with size and scale of operation, size can be measured with the help of following measures such as capital investment, value of Assets, Investment in Plant and Machinery, Volume of output and sales.
2. In addition to quantitative concept qualitative characteristics may be used to define small business. Such are style of ownership, management and control, types of technology, area of operation.
3. Small entrepreneurs take manufacturing activities producing goods by establishing
 - Village and cottage industries
 - Handlooms and Handicrafts
 - Modern Small entrepreneurs
4. Such entrepreneurs are artisans, skilled craftsmen and technician. Toys, dolls, electronics and electrical gadgets are example of those.
5. The criteria are
 - (i) Less than 300 square feet space
 - (ii) Less than 2 kw power
 - (iii) Less than 5 workers
 - (iv) No pollution is caused.
6. Those are
 - (a) Small entrepreneurs having an investment in plant and machinery of not more than 1 crore.
 - (b) Ancillary Industries - Fixed investment in plant and machinery not exceeding 75 lakhs.
 - (c) Tiny Units - Fixed investment in plant and machinery not exceeding 5 lakhs.
7. These operate in :
 - (i) Areas of Operation - Rural areas and towns with population not exceeding 5 lakh.
 - (ii) Investment - Fixed investment in plant and machinery not exceeding 2 lakhs.
 - (a) Professional services
 - (b) Commercial services
 - (c) Personal services
8. As the small entrepreneurs located in backward area, skilled workers may be reluctant to work in their areas and small scale enterprises may not afford the wages and other facilities demanded by these skilled workers.
9. For successful business managerial competence in the area of business knowledge, skill and aptitude, of small entrepreneur is required. Due to lack of those and above all lack of commitment will add to the problems of entrepreneur.
10. As small scale industries use labour intensive so those can provide more employment. Further, it is also supported by the Annual Survey of Industries that household and small industrial unit provide about 60% of total employment generated by manufacturing sector.
11. By providing parts, components and accessories small entrepreneur play a supporting role to large scale industries. Thus, they act as ancillaries to large scale industries.
12. These centres provide integrated administrative frame work at the district level. These provide support services to small enterprises.

13. Those are
- Improve productivity of small scale units
 - Generate more jobs and
 - Provide credit facilities for raw material and other inputs at concessional rates to small business entrepreneurs.
14. Schemes are
- Integrated Rural Development Programme (IRDP)
 - Prime Minister's Rozgar Yojana (PMRY)
 - Training Rural Youth for Self-Employment (TRYSEM) and
 - Jawhar Rozgar Yojana (JRY)
15. The central government has set-up a fund of Rs. 100 crore in 2005 as scheme of Fund for Regeneration of Traditional Industries (SFURTI) to make traditional industries more productive and competitive and to help them in their growth and development.
16. This Bank was set-up in 1982 for the promotion of integrated rural developments. In addition to agriculture based small agro-industrial units, it is supporting small scale cottage and village industries.
17. Government of India has two ministers to look after the growth and development of small business enterprise.
- Ministry of Small Scale Industries was prepares Policies and Programmes for the promotion and development of SSI.
 - Ministry of Agro and Rural Industries.
18. As they do not have funds for quality research in order to improve upon the quality. The product quality is their weakest points as compared to the standard of the large scale units.
19. This is due to lack of planning and absence of skilled worker. They have to customers do not pay as result or which they face short of working capital and subsequently come under sickness.
20. This Bank was established in 1989 to provide finance and to develop small scale industries. It also co-ordinates other state level institution engaged in providing finance to small business.
21. It must be profitable, come at appropriate time and go also durable. It must be reflected in a product, service or business that creates or add value for its buyers.
22. Steps are
- Observing Trends
 - Solving a problem
 - Finding gaps in the market place
 - Using the personal characteristics of the entrepreneur
23. Sometimes new opportunity comes while finding solution to given problem. In involves
- Noticing a problem
 - Applying intuition and past experience
 - In the process, the solution itself represent an opportunity.
24. Gap may arise as
- Customer's need not being addressed by any one
 - Customer's are not satisfied by the product offered by large and established firm.
- In order to bridge the gap the customer may specially be attended. For example - There exists small clothing boutiques.
25. In this method of generating new ideas, 6-8 persons are called for a meeting. An issue in thrown open before them for discussion. These people offer different non-traditional ideas and the best is selected.

26. It is gathering of 5-10 people expert in a particular field. It is group discussion relating to a specifies issues where members air their views. It is facilitated by a moderator in order to ensure in-depth analysis. The comment of other members are also supplied to stimulate group discussion. Finally these discussions and deliberation are summed up to extract a new idea.
27. Under this method a sample of people are selected at random (from the population being studied. These people are asked specific questions relating to a product or service. Their responses are recorded, tabulated and analysed to have a new idea.
28. Some companies set up Customary Advisory Board which meets at regular interval to have discussion about the needs wants and problems.
- Some companies also attend trade fair, conference and gathering of industry personnel to get an idea about what their competitors are doing.
- Some other companies conduct door to door survey in a specific areas to get an idea about customers linking which help develops near ideas.
29. As Indian foods are well known in the world. Processed foods have a good market in India and abroad. Fruits and vegetables processing offer potential for high value addition and the prospective entrepreneur can earn a cost.
30. The insurance sector, which at present witness a growth rate of 20-25% per annum, can provide abundant business opportunities for agents, brokers, sales persons, insurance claim processors, surveyor, etc.
31. Home-based business such as beauty parlour, health club, travel agency, mail order retailing, data processing, medical clinic, outdoor catering services etc. are very useful because :
- (a) Starts up cost is less
- (b) No community is involved
- (c) Business and family can be looked after simultaneously.
32. For this entrepreneur has to make
- (a) Market analysis
- (b) Technical analysis
- (c) Financial analysis
- (d) Economic analysis
33. Yes, it should be considered as the product to be ventured should be capable of earning same more margin after the cost. But initial two should at least cover break-even points of no profit or no loss.
34. The utility of the product to be considered when it is introduced n the market. In the product is bearing introduced in spite of a pre-existing one or if it is a modified version. Still its practicaling should be taken and justified.
35. Entrepreneur has to assume to face competition from all angel. One way to justify own product by excelling over in the area of quality, durability, price etc.
36. Creating means to thinking or doing new things. It is the ability to develop new ideas and to discover new ways to solve a problem. Innovation refers to the process of application of creative solution to problems. Simply application of new inventions is called innovation.
37. Information processing means how people think or process the information. Thinking depends on the cognitive capacities of prior knowledge and experience, creativity and general mental abilities. Information processing is important because it describes the processes of interpreting and combining new information.
38. For problem solving and idea generation, there are two thinking modes are used by people namely divergent where there is process of

creating many unique solution to solve a problem and convergent where it is the process of finding single best solution to a problem.

39. Use of new materials, new processes, alternative use of items to new areas is called substitution. Shortage of few raw materials leads to search for suitable. For example - PVC pipe in place of iron pipe.
40. Sometimes it is observed that the proposed project remains in a sealed file. It never get the chance to breathe in open air. Capital investment upto this point goes wasted. In so operational evaluation is necessary.

41. SWOT stands for Strength, Weakness, Opportunity and Threat. The potential entrepreneur has to analyse his strengths. Weakness, opportunities and threats while deciding to go for entrepreneurial ventures.
42. Project report essentially services two functions.
 - (i) It serves as a road map describing the direction of enterprise, it's goal and how to achieve them.
 - (ii) It also serves to attract investors and lenders because on it's basis they provide financial assistance.

4. *Answer the following questions within 50 words each.*

1. The Distinctive Features of Small Scale Industries are : (i) Labour intensive. (ii) Uses indigenous raw materials that are locally available. (iii) Easy formation and lower gestation period. (iv) It covers wide range of business activities to power looms and electrical gadgets. (v) Located in rural and semi-urban areas. (vi) SSI are owned, managed and controlled either by a single persons or by a few individual as in case of partnership. (vii) SSI units are more dynamic keeping in view of local needs and socio-economic environment.
2. Advantages of SSI are : (a) Utilisation of local resources, (b) Generation of employment, (c) Ensures balanced Regional Development, (d) Export promotion and import substitution, (e) Supplement to Large Scale Industries, (f) Due to various incentives and concession given it attracts entrepreneurs to start SSI to get self-recognition and self employment, (g) SSI contributes National economy in the form of production, tax, foreign exchange.
3. Problems are of assembled in two groups - External and Internal. External problems comes from outside and beyond control. Those are related to lack of good Quality Raw Material, Poor infrastructure, marketing problems, not up-dated technology, lack of finance and non-availability of skilled labour. Internal problem related to poor project planning. Quality control, managerial problem and capacity under utilization.
4. A small business unit can not use new updated technology due to paucity of fund and capacity limitation. So, they are compelled to use old and out-dated technique to produce goods. As a result of which, they find difficulty, to complete with large industrial units.
5. Small entrepreneurs play a crucial role in ensuring equitable distribution of national income as : (i) Widespread ownership pattern, (ii) Labour intensive nature due to this it provides more employment opportunities to people of rural and backward areas.
6. They establish business units in the different parts where they belong. It means there is decentralization of industrial enterprise will result in the optimum use of local resources and ultimately improve the standards of life.
7. Due to promotion and growth of small scale enterprise there is equitable distribution of income and wealth of Indian Society. As result

- of which there is increase of purchasing power of people in rural and semi-urban areas. Thus standard of living is enhanced and brings betterment in their lives.
8. Under utilisation of small scale business is due to (a) lack of financial resources. (b) Non availability of Raw material. (c) Power problem as they do not adequate financial resources either to have own or to hire power from outside. (d) Poor product quality due to outdated technology or faculty implementation of product planning .
 9. One man business is suitable for small scale business where the proprietor is big enough who can manage everything himself. In the followings cases sole tradership is suitable.
 - (a) Where there is a need for greater personal value
 - (b) Where the entrepreneur is capable, skilled, experienced to tackle the problem of small scale.
 10. A single person can act efficiently only upto a limit, after that things go out of his control. Limited capital, limited managerial ability and unlimited liability cause proprietorship vulnerable. Also secrecy in business causes suspicious and due to limited scope, make sole proprietor stand on a weak bargaining position.
 11. Small business entrepreneur do not have enough long-term or short term funds. These are, therefore, short of both on Fixed Assets as well as working capital. Even the banks do not come to their help in a big way. Financial institution like ICICI, IDBI and IFCI help only large scale industries.
 12. Small business promotes conservation of financial and physical natural resources. It ensures optimum utilization of resources by using local indigenous technology which is suitable for the local raw material. It also helps in recycling the wastages. In village, small industries like candles, detergent can be set up with the help of NSIC.
 13. Good project report contains - General information; Promoter's name, Qualification, experience, location, Plant & Machinery, Sources of finance market, anticipated return and time period for implementation in its various stages and time limitation etc. In general information the contents are the nature of business, product profile, Brand name etc.
 14. In order to assess ideas to test viability and its implementation the steps are :
 - Identification product or service
 - Application and use
 - Level of operation
 - Cost
 - Competition
 - Technical
 - Estimation of turnover and profit
 - Market assessment.
 15. Any project involves the various stages in order to reach its consummate stage. In order to initiate the project it requires through investigation and verification.
 - (i) Pre-investment stage - To explore the scope of profit.
 - (ii) Implementation stage - Detailed and comprehensive work plan of the project implementation is chalked out.
 - (iii) Operational stage - Related to uninterrupted running of the plant.
 16. Three opportunities are identified by Peter F. Drucker. Those are
 - (a) Additive opportunities - in the existing resource without influencing the nature of business.
 - (b) Complementary opportunities - extra implementation of moves ideas in the existing set up.
 - (c) Breakthrough opportunities - Fundamental changes in nature of business.

17. Entrepreneurship is about opportunity discovery and exploitation. It should be remembered that every idea cannot be converted into an opportunity. So, before converting the idea into business, entrepreneur must analyse the opportunity properly. If an entrepreneurs converts idea into enterprise without analyzing, then, it may result in the failure of business.
18. Many new business ideas generated due to problems. Identifying problems accurately results in generating new business ideas. Ability of entrepreneurs to identify the right problem at the right time results in creation of an enterprise. Outcome of proper problem enables new product, understanding needs of consumer and increase employment generation.
19. A good business opportunity must have :
- Assured market scope
 - Attractive and acceptable rate of return
 - Practicability of the idea
 - Competency of entrepreneur
 - Potential of further growth
- Summarising those we conclude that the good idea can be converted into business enterprise to earn profit. Failing which the idea may not really good.
20. Idea is only a thought or impression which may or may not have the qualities of opportunity. Many business units fail not because the entrepreneurs did not work hard but because there was no real opportunity to begin with. Intersection of business idea with opportunity brings the desired result of selection and visualizing opportunity for good idea.
21. Business opportunities can be identified by entrepreneur due to
- Past experience - It helps to recognize business opportunities.
 - Social Networking - Contact with co-worker, printed, spouse may provide 65% of ideas.
 - Cognitive factors - Entrepreneurial alertness or innate skill.
 - Creativity of entrepreneur.
22. Impact of project on the society should be analysed
- Generation of employment
 - Contribution towards National economy
 - Development of backward areas
 - Development of rural and small-scale industries
 - Improvement in the quality and production
 - Improvement in the national welfare, quality of life or standard of living
 - Optimum use of resources.
23. From the commercial perspective, the project should be absolutely healthy, strong and viable. Selection of market, nature of competitions, pricing policy, market strategy, possibility of export, etc. are analysed evaluation of product is made on the those grounds. In addition to above, a survey for a forecast regarding the prospective demand can be conducted.
24. Strength, weakness, opportunity and threat of the project will able to identify the area of viability. In 'SWOT' Analysis, strength and weakness relate to entrepreneur while opportunity and threat relate to environment. The former is internal where as latter is external to entrepreneur. This analysis enable him to know what type and size of business would be most suitable.
25. A project report is a written document pertaining to any investment proposal. It serves two functions
- Considered as road map describing the direction of the enterprise, it's goals and how to achieve them.
 - It also serves to attract investors and lenders on basis of which they provide financial assistance.

UNIT - II**GROUP - C : LONG TYPE QUESTIONS**

1. State the Characteristic Features of Micro, Small and Medium Enterprises.
2. State the role/Importance of Small Scale enterprise.
3. What are the merits of Micro, Small and Medium enterprises ?
4. In which way Government supports SSI?
5. What are problems of Micro, Small and Medium enterprises ?
6. Discuss the role of Entrepreneur in complementing and supplementing economic development of country.
7. Discuss the scope of Small Entrepreneurs.
8. Discuss the process of Selection of Enterprise.
9. How the opportunity can be identified ?
10. Discuss the contents of project report.
11. What are consideration in the selection of an appropriate form of ownership ?
12. Discuss the procedure for registration of small scale industry.
13. How the arrangement of land, machine and infrastructure are made for establishment of small scale industry ?
14. How the project can be implemented ?
15. Mention the relationship between Divergent and Convergent thinking for problem solving and idea generation.

UNIT - II

GROUP - C : ANSWER

6. Economic development is a continuous process.
 Complementary - Latest economic policy of disinvestment and open market economy and disinvestment of public sector allows private sector to operate and entrepreneurial development is allowed and initiated.
 Supplementary - In order to supplement government's effort in the field of education a large number of private entrepreneurs have established educational institutions right from primary education to technical and professional education.
- 7.(A) Manufacturing Industries
- (a) Village and Cottage Industry
 Handloom and Handicrafts industries.
 Small entrepreneurs such as artisan, skilled craftsmen and technician. They can work in their own houses and requires less than 300 sq. ft. space, less than 2 kw power, less than 5 workers and no pollution is caused.
- (c) Modern small entrepreneurs
- (i) Small Entrepreneurs - Investment in Plant and Machinery not more than 1 crore.
 (ii) Ancillary Industries - Investment Plant & Machinery not exceeding 75 lakhs.
 (iii) Tiny Unit - Investment in Plant and Machinery not exceeding 5 lakhs.
- (B) Trading Industry
- (C) Service Industries - Engaged in providing personnel or household services. Area of operation in rural areas and town with population not exceeding 5 lakh and investment not exceeding 2 lakhs in Plant and Machinery. Include
- (i) Professional Service - Service related to accounting, law, medical etc.
 (ii) Commercial Service - Such as transport, construction, warehousing, repairing service.
 (iii) Personal Service - Such as Dry Cleaning and restaurant.
8. The process of selecting one opportunity out of many is called as "zeroing in process" or process of selection of an appropriate enterprise. The process involves the following steps.
- (A) Sensing Entrepreneurial Opportunities.
 - Entrepreneurs perceive opportunities quickly, synthesize, available information and analyse emerging patterns that escape the attention of others.
- (i) Ability to perceive - Different Sources problems, Unfolding changes, Invention and Competition.
 (ii) Ability to think innovatively.
- (B) Scanning Business Environment.
 (C) Identification of Business Opportunity.
9. After scanning and analysis of opportunity best one is identified. Selection of a suitable enterprise is a crucial decision as the ultimate fate of the enterprise depends on the selection of right type of enterprise. The process of selecting one opportunity/enterprise and of many is called as zeroing in process.
 Following Factors are generally taken into account before evaluating opportunity.
- (i) SWOT Analysis - Strength, Weakness, Opportunity and Threat analysis. This analysis enables the entrepreneur to know what type and size of business would be most suitable.
 (ii) Market Survey - To survey the market regarding acceptability of the product of venture.

- (iii) Feasibility Analysis - To ascertain the desirability of investing funds.
- (iv) Technological Evaluation - Selection of Technology to develop the project.
- (v) Financial Evaluation - Estimation of required funds and their availability.
- (vi) Managerial Evaluation - Evaluation of managerial skill.
- (vii) Commercial Evaluation - Commercially viable.
- (viii) Socio-economic Evaluation - Proposed enterprised should contribute to the society.
- (ix) Operational Evaluation.
- (x) Environment Evaluation.
10. Contents are
- (a) General information regarding the business, product profile, brand name, entrepreneurs should be there.
- (b) Promoter - Name, qualification, experience
- (c) Location - Exact location of project and locational advantages are to be indicated.
- (d) Land, Building and Plants, Machinery - Details should be mentioned.
- (e) Cost of capital and working capital
- (f) Source of finance
- (g) Market
- (h) Profit
- (i) Project implementation
11. Main forms of organization are (i) Sole Proprietorship, (ii) Partnership, (iii) Joint Stock Company, (iv) Co-operative Society. No single form possesses all the required featured. But business has to choose the form keeping into account of following points.
- (i) Easy formation - For small business, sole-proprietorship is the easiest and best. Partnership is the next. Company form is lengthy and complex legal formalities and suitable large enterprise.
- (ii) Legal formalities - Sole Proprietorship and Partnership require less legal formalities.
- (iii) Capital - In sole trading and partnership require less capital.
- (iv) Liability - Unlimited liability for sole trader.
- (v) Continuity - Less durable for sole trader and partnership as it depends health, managerial ability of individual and few members.
- (vi) Flexibility
- (vii) Control - Personal control and direction can be obtained from sole-trading.
- (viii) Secrecy
- (ix) Management
- (x) Tax consideration - Co-operative enjoy tax exemption.
- (xi) Size of operation
- (xii) Nature of business
- (xiii) Risk and Reward.
12. Even though registration is not compulsory still a small scale industry should be registered with DIC in order to get some privilege.
- (A) Provisional Registration - Following documents are to be submitted while applying for provisional registration.
- (i) An application (in duplicate)
- (ii) Copy of project profile
- (iii) Partnership deed in case of firm and Memorandum and Article of Association in case of a company.
- (iv) Prescribed court fees
- (v) An affidavit is appropriate form.
- Provisional Registration is given for 2 years which can be extended upto maximum of 5 years. Various advantages of provisional registration are
- (a) Help in getting loan from banks and other financial institution.
- (b) To apply for land and shed

(c) To get no objection certificate from different regulatory bodies such as pollution control board, labour regulation.

When commercial production starts, the provisional Registration Certificate is not converted to permanent Registration Certificate on payment of prescribed court fee, stamp and an affidavit in prescribed form. It is necessary

- (i) to apply for Scarce Raw Material
- (ii) to obtain central excise exemption
- (iii) to be eligible under government store purchase
- (iv) to apply for Sale Tax and Income Tax exemption
- (v) to get power tariff relief.

13.(i) Land / Shed - Once the location of unit is finalized the land may be taken from state Area Development Board. However, private land may be purchased and legal formalities are to be completed for converting those to industrial use. Alternatively, ready industrial shed may be purchased or taken on rental basis.

(ii) Plant and Machinery - May be purchased from recognized manufacturer or dealer. Can also be hired from NSIC (National Small Industries Corporation). Financial help may be obtained from Banks and State Financial Corporation. Advice from DIC, SISI and NSIC may be sought.

(iii) Infrastructure - Connectivity to nearest road or rail, water and power.

Utilise the service of architect for proper layout. Apply, in prescribed form, to the State Electricity Supply Authority for Power Connection. Similarly apply for Water Connection or bore-well may be dug.

The State Government offers number of concession and incentives for water tariff, power and transport subsidy.

14. After getting various licence, clearance certificates and making provision for infrastructure facilities now the time has come to implement the project. The major activities include :

- (i) Buy a land and under face construction of shed or on rent.
- (ii) Place order machinery and equipment
- (iii) Recruitment of Man Power - Technical, managerial and office staff for preliminary work, and people for supervision and other work.
- (iv) Arrange Raw materials - Finalise source, quality and quantity and order.
- (vi) Erection and commissioning - Install machinery as per plan. In most of the case erection and commissioning in undertaken by supplier.

15. Opportunity identification and selection requires both divergent and convergent thinking. Divergent thinking is a thought process used to generate creative ideas by exploring many possible solutions. Thus, it is the act of generating many possible ideas to complete a task or fit a criterion. Once the stage of divergent thinking is complete, information and ideas are structured and organized using convergent thinking. Following divergent thinking, the ideas and information will be organized using convergent thinking i.e putting the various ideas back together in some organized. The truth is that in divergent thinking the quantity of ideas in more than the quality of ideas. It is best not to judge ideas during the stage of divergent thinking. Divergent thinking is wide and free. When you diverge, you generate many options. Divergent thinking is followed by convergent think, in which you assess, judge and strengthen those option, and then decide what to keep and how to proceed.

UNIT-III

KEY CONCEPTS

INSTITUTIONAL SUPPORT OF ENTREPRENEURS

Need for Institutional Support, Areas of Support from the following Specialised Institution :

SIDBI, SIDO, SISI, NSIC, FIEO, SFSC, IPICOL, APICOL, IDCO and DIC

- **SIDO - Small Industries Development Organisation :**

Established in 1954; It is the apex body assisting the government in formulating, coordinating, monitoring and implementing various policies relating to Small Scale Industries. At present, the SIDO has 27 offices, 31 Small Industries Service Institutes (SISIs), 4 Regional Testing Centres and 7 Centres relating to production and process.

- **NSIC - National Small industries Corporation :**

Established in 1955 for promotion and growth of SSIs in India. The primary aim of NSIC is to supply machinery and equipment to SSIs an hire purchase scheme and to help them in marketing their products.

- **FIEO - Federation of Indian Export Organisation :**

Set up by the ministry of Commerce in 1965. Apex body that represent India's exporters in the international market. The main purpose of this organization is to provide integrated export assistance to government recognized export and trading houses.

- **SFCs - State Financial Corporation :**

Central Government passed in the State Financial Corporation Act in 1951 empowering State Government to establish such corporations in their respective states. SFCs were started in 18 states. The basic objective of SFC is to provide financial assistance to Small and Medium Scale Industrial Units. It encourages the existing entrepreneurs to expand and new / prospective entrepreneurs to State industrial units in the state. The Government of Odisha has set-up Odisha State Financial Corporation (OSFC) with its head office at Cuttack.

- **IPICOL - Industrial Promotion and Investment Corporation of Odisha Limited :**

Set up in 1973 with the prime objective of promoting large and medium scale industries in the state. It provides Financial Assistance to the industrial sector of the state. Besides promotional and investment activities. IPICOL provides low cost consultancy service from time to time starting from conceptualization to commissioning of the plant.

- **APICOL - Agricultural Promotion and Investment Corporation of Odisha Limited :**

Established in March 1996. The vision of APICOL was to bring in a shift from subsistence agriculture to commercial agriculture and development of agro based and Food Processing Industries along with Horticulture activities.

- **INDCO :**

66 Industrial estates in different strategic locations of the state. The Government of Odisha had set up IDCOL as a separate company on 29th March, 1962. It was incorporated to promote heavy and medium scale industries in the state.

- **DIC :**

In pursuance of the Industrial Policy Resolution, 1977 of Government of India, the District Industries Centres (DICs) programme was started 8th May, 1978 with a view to provide integrated administrative framework at the district level for promotion of tiny, small and micro enterprises in rural areas.

UNIT - III**GROUP - A : OBJECTIVE TYPE QUESTIONS**

1. *From the following alternatives given below in each bit choose the correct answer.*

1. Institutional support for the promotion of entrepreneurship is needed for
 - (a) Establishment and development of Small and Medium Enterprise.
 - (b) A change in the mindset
 - (c) Producing a vibrant and motivated youth population
 - (d) All of these
2. The entrepreneur need support from specialised institution because of:
 - (a) Complicated nature of entrepreneurial process
 - (b) Creating interest and awareness
 - (c) Single window servicing
 - (d) All of the above
3. The institute which does not extend financial support to entrepreneurs is :
 - (a) State Financial Corporation
 - (b) Entrepreneurship Development Institute
 - (c) Regional Rural Bank
 - (d) Commercial Bank
4. Which of the following institute render support in training area ?
 - (a) Software Park
 - (b) EXIM Bank
 - (c) Credit rating agencies
 - (d) National Alliance of Young Entrepreneurs (NAYE)
5. For help in promotional area, the best national agency is :
 - (a) NSIC
 - (b) SIDBI
 - (c) DIC
 - (d) MSME Development Institution
6. The Head Office of SIDBI is at
 - (a) Mumbai
 - (b) Lucknow
 - (c) Kolkata
 - (d) Delhi
7. Entrepreneurship Development Institute was set up in
 - (a) 1956
 - (b) 1992
 - (c) 1983
 - (d) None
8. The NSIC (National Small Industries Corporation) was established in
 - (a) 1955
 - (b) 1956
 - (c) 1981
 - (d) 2001
9. The institute helping the Indian exporters in the international market is
 - (a) FIEO
 - (b) EDI
 - (c) NSIC
 - (d) SIDO
10. IPICOL was established in
 - (a) 1949
 - (b) 1951
 - (c) 1971
 - (d) 1973

11. The Head Office of NSIC is located at
(a) Mumbai (b) Delhi
(c) Hyderabad (d) Chennai
12. Small Industries Development Bank of India (SIDBI) was established in the year :
(a) 1990 (b) 1989
(c) 1992 (d) None of these
13. District Industries Centres (DIC's) Programme was started in
(a) 1978 (b) 1985
(c) 1999 (d) 1970
14. Small Scale Industries Board (SSIB) was formed in :
(a) 1952 (b) 1954
(c) 1955 (d) 1967
15. Industrial Development Corporation of Orissa Limited (IDCOL) was formed :
(a) 1962 (b) 1972
(c) 1982 (d) 1960
16. Orissa Small Industries Corporation (OSIC) was established in the year :
(a) 1972 (b) 1963
(c) 1982 (d) 1964
17. Which system of DIC is related with
(a) Single Window (d) Double Window
(c) No Window (d) None of these
18. IDBI was established in the year
(a) 1954 (b) 1964
(c) 1984 (d) 1974
19. Industrial Finance Corporation of India (IFCI) was set up in the year.
(a) 1948 (b) 1950
(c) 1951 (d) 1952
20. Industrial Credit and Investment Corporation of India (ICICI) was set up as :
(a) a Private Sector
(b) a Public Sector
(c) a Joint Sector
(d) None of these
21. ICICI was established in the year
(a) 1935 (b) 1945
(c) 1955 (d) 1965
22. Unit Trust of India (UTI) was established in the year :
(a) 1934 (b) 1944
(c) 1954 (d) 1964
23. LIC was established in the year
(a) 1936 (b) 1946
(c) 1956 (d) 1966
24. EDI of India renders support
(a) Marketing (b) Promotion
(c) Training (d) None of the above
25. Industrial Estates are provided by
(a) SFCs (b) NSIC
(c) DIC (d) SIDBI
26. How many insurance company was nationalised and LIC was set up in 1956.
(a) 235 (b) 245
(c) 225 (d) 255
27. What is amount of loan and advances are guaranteed under credit guarantee fund for small industries by SIDBI ?
(a) Rs. 10 lakh (b) Rs. 12 lakh
(c) Rs. 15 lakh (d) Rs. 20 lakh

28. Full form of SIDC
(a) State Indian Development Corporation
(b) State Industrial Development Corporation
(c) State Industrial Development Company
(d) None of the above
29. When National Small Industries Corporation (NSIC) has introduced Hire Purchase Scheme?
(a) 1995 (b) 1996
(c) 1997 (d) 1998
30. When IDBI was converted into a Commercial Bank.
(a) October 2004 (b) October 2005
(c) October 2006 (d) October 2007
31. Industrial Reconstruction Bank of India (IRBI) is to
(a) Provide to financial help to SSI
(b) Rehabilitate Sick Industrial Units
(c) Provide Loan to SSI
(d) None of the above
32. State Industrial Development Corporation (SIDC) provides term finance to
(a) Small
(b) Medium
(c) Large
(d) All industrial enterprises
33. Small Industries Service Institute (SISI) main objective is to provide
(a) Training to various prospective entrepreneur
(b) Give consultancy service to existing entrepreneur
(c) Give consultancy service to new entrepreneur
(d) All of the above
34. State Financial Corporation (SFC) provide at the state level.
(a) Long-term Finance to Medium and Small Scale industries
(b) Short-term Finance to Medium and Small Scale Industries
(c) Long-term Finance to large industries
(d) None of the above
35. Organisational structure of DIC contain
(a) General Manager
(b) Functional Manager
(c) Project Manager
(d) All of the above
36. Industrial Development Corporation of Orissa (IDCOL) was formed with an authorised capital
(a) Rs. 25 crore
(b) Rs. 50 crore
(c) Rs. 75 crore
(d) Rs. 100 crore
37. NSIC established the first Software Technology Park (STP) in Orissa, New Delhi in
(a) 1994 (b) 1995
(c) 1996 (d) 1997
38. The Government of Odisha has set-up Export Promotion Industrial Park (EPIP) in.
(a) Chandaka Industrial Estate, Bhubaneswar
(b) Bidyadharpur, Cuttack
(c) Sakshigopalpur Coconut Research
(d) None of the above

2. Do as Directed Questions

2 (a) Answer the following questions in one sentence each.

1. What do you mean by stimulatating phase of the strategy for promotion of entrepreneurship ?
2. What do you mean by Development Phase ?
3. What do you mean by Supportive Phase ?
4. What is infrastructural support ?
5. What are the role of specialised institutions meant for development and growht of entrepreneurs ?
6. How Small Industries Development Bank of India (SIDBI) help SSI Units for the improvements ?
7. What are schemes of financial assistance of SIDBI ?
8. What is Mahila Vikash Nidhi (MVN) Scheme of SIDBI for grant of specific assistance exclusively to women enterpreneurs.
9. What is Mahila Udhyaam Nidhi (MUN) Scheme ?
10. Why National Small Industries Corporation (NSIC) has established Software Technology Park (STP) ?
11. What is basic objective of State Financial Corporation ?
12. What is prime objective of Industrial Promotion and Investment Corporation of Odisha Limited (IPICOL) ?

2 (b) Express the following in one word / term each.

1. Who are called the catalysts of Industrial Growth ?
2. What is meant by MSME ?
3. Write the full form of NABARD.
4. Write the full form EPMCs.
5. Write the full form RRBs.
6. What is 4 Ps ?
7. Who provides finance for ISO 9000 certification ?
8. Which one is declared it as “Centre of Excellence” by various International Organisation.
9. Who assists in preparing project reports ?
10. Which supporting Institutional Agency providing Guidance to Ancillary Units ?
11. Who helps in getting raw material as convenient and flexible term.
12. Who investigates and identifies profitbale projects and encourages entrepreneur to take up such project.

2 (c) Correct the underlined portion of the following sentences.

1. Financial Institutions meet the short-term requirements of industry.
2. ICICI was set up as Public Sector.
3. Long-term Finance is required for day to day expenses.
4. ISO 9000 Certificate is a mark of Quantity.
5. The Hirakud Industrial Works is set up by IPICOL.
6. APICOL was established in the year 1976 for agricultural promotion in the state of Odisha.
7. The Primary objective of NSIC is to supply machineries and equipment to SSI units or outright purchase basis.
8. According to the Industrial Policy Resolution 1987 of the Government of India the DIC were formed.
9. Under refinance and direct finance scheme NSIC provides financial assistance to SSIs.
10. SISI is renamed as Small Scale Development Institute since June, 2007.
11. IPICOL has set up Industries in Private sector.
12. SIDO provide credit rating scheme to ascertain the strength and weakness of SSI units.

2 (d) Fill in the blanks.

1. NSIC operates from its _____ office for its abroad operation in Gulf countries.
2. Under refinance and direct finance schemes, _____ provides financial assistance to SSIs.
3. CRISIL is empanelled _____ agency to ascertain the strength and weakness of SSI units.
4. Besides Finance, one other area of support by Financial Institutions to SSIs is _____.
5. The purpose of EDI is to provide _____ and _____ to the entrepreneurs.
6. The Small Industries Development Organisation (SIDO) was formed under the Ministry of _____.
7. The _____ have been set up in state capitals and other places all over the country.
8. SIDBI is operating different programmes and schemes through _____ Regional offices and _____ branch offices.
9. _____ established all over the country to provide financial help to business organisations.
10. Unit Trust of India (UTI) was established by the Government of India in _____.
11. _____ performs all the functions which were earlier performed by IRBI. (Industrial Reconstruction Bank of India).
12. _____ is an apex body of Indian Export Promotion Organisation.

UNIT - III**GROUP - A : ANSWERS**

1. From the following alternatives given below in each bit choose the correct answer.

1. (c) Producing a vibrant and motivated youth population
2. (d) All of the above
3. (b) Entrepreneurship Development Institute
4. (a) Software Park
5. (d) MSME Development Institution
6. (b) Lucknow
7. (c) 1983
8. (a) 1955
9. (a) FIEO
10. (c) 1971
11. (b) Delhi
12. (a) 1990
13. (a) 1978
14. (b) 1954
15. (a) 1962
16. (a) 1972
17. (a) Single Window
18. (b) 1964
19. (a) 1948
20. (a) a Private Sector
21. (c) 1955
22. (d) 1964
23. (c) 1956
24. (c) Training
25. (c) DIC
26. (b) 245
27. (a) Rs. 10 lakh
28. (b) State Industrial Development Corporation
29. (c) 1997
30. (a) October 2004
31. (b) Rehabilitate Sick Industrial Units
32. (d) All industrial enterprises
33. (d) All of the above
34. (a) Long-term Finance to Medium and Small Scale industries
35. (d) All of the above
36. (b) Rs. 50 crore
37. (b) 1995
38. (a) Chandaka Industrial Estate, Bhubaneswar

2. Do as Directed Questions

2 (a) Answer the following questions in one sentence each.

1. This phase is concerned with creation of awareness and interest about entrepreneurial opportunities.
2. This phase is concerned with development of entrepreneurial trait and management skill through implementation of continuous training programme.
3. It deals with provision of all possible infrastructural supports required to establish new enterprises and to develop existing enterprises.
4. It includes both financial infrastructure like setting up of financial institutions, banks and non-financial which includes physical and intellectual (Knowledge/technology) factors.
5. The success of entrepreneurs depends mainly on the supportive and facilitates role played by varieties of well established institutional agencies and organisations.
6. SIDBI contributes to the process of economic growth, employment generation and balanced regional development of SSI units.
7. The schemes are (a) Refinance Scheme, (b) Direct Finance Scheme
8. This is granted for the economic development of women, providing them agencies for training and employment opportunity.
9. This scheme is meant for enterprising women entrepreneurs to set up new projects in the tiny and small scale sector and for rehabilitation of viable sick SSI Units.
10. STPs were established to facilitate small industries in setting up 100% export-oriented software units.
11. The basic objective is to provide financial assistance to small and medium scale industrial units.
12. Prime objective of IPICOL is to promote large and medium scale industries in the state.

2 (b) Express the following in one word / term each.

1. Entrepreneurs
2. Micro, Small and Medium enterprise
3. National Bank for Agriculture and Rural Development.
4. Export Promotion Councils
5. Regional Rural Banks
6. Product, Process, Place and Promotion
7. SIDBI (Small Industries Development Bank of India)
8. EDI (Entrepreneurship Development Institute of India)
9. SISI (Small industries Service Institute)
10. SIDO (Small Industries Development Organisation)
11. NSIC (National Small Industries Corporation)
12. IPICOL (Industrial Promotion and Investment Corporation of Odisha Ltd.)
11. National Bank for Agriculture and Rural Development
12. Zeroing in process

2 (c) Correct the underlined portion of the following sentences.

1. Long term
2. Private sector
3. Short term
4. Quality
5. IDCOL
6. 1996
7. Hire Purchase
8. 1977
9. SIDBI
10. MSME
11. Joint Sector
12. NSIC

2 (d) Fill in the blanks.

1. Dubai
2. SIDBI
3. Credit rating
4. Consultancy
5. Training and Education
6. Industry
7. Small Industries Service Institutes
8. 5 Regional and 33 branch offices.
9. LIC (Life Insurance Corporation of India)
10. 1964
11. IIBI (Industrial Investment Bank of India)
12. FIEO (Federation of Indian Export Organisation).

UNIT - III**GROUP - B : SHORT TYPE QUESTIONS****3. Answer the following questions within 30 words each.**

1. Why specialized institutions will render support to entrepreneurs ?
2. How SIDBI provides refinance assistance to SSIs ?
3. What do you mean by Equipment Finance Scheme as launched by SIDBI, 1992-93 for providing direct Finance ?
4. What is Project Finance under Direct Finance Schemes of SIDBI ?
5. How SIDBI provides direct finance for marketing of SSI products ?
6. How SIDBI provides finance for integrated infrastructural development ?
7. How entrepreneurial development programme is organized by SIDO (Small Industries Development Organisation) ?
8. What are schemes designed by NSIC (National Small Industries Corporation) ?
9. What is the objective of establishing Export Promotion Industrial Park at Bhubaneswar in Chandaka Industrial Estate ?
10. How far Industrial Promotion and Investment Corporation of Odisha Limited (IPICOL) helps in promoting large and medium scale industries in the state ?
11. Mention the achievement of IPICOL in the area of promotion of service industries.
12. Where APICOL (Agricultural Promotion and Investment Corporation of Odisha Limited) acts as Nodal agency ?
13. What is the future plan of IDCO to develop industries in the state ?
14. Why EDI (Entrepreneurship Development Institute) was set up in India in 1983 ?
15. Why DRDA (District Rural Development Agency) was established in Odisha w.e.f. 02.10.1980 ?
16. Mention the administration of DRDA.
17. Why State Financial Corporation Act, 1951 was passed ?
18. What should be design of course-curriculum of entrepreneurial development training programme ?
19. How the participants of EDP prepare themselves in the training programme ?
20. What should be criteria for selection of faculty or resource person for imparting training in EDP ?
21. What should be selection procedure of prospective entrepreneurs ?
22. What should be tested in training phase of entrepreneur ?
23. What is post-training phase of entrepreneur ?
24. How Entrepreneurship Development Institute of India (EDII) is working ?
25. Why National Institution of Entrepreneurship and Small Business Development (NIESBUD) was created by Government of India in 1983 ?
26. Why National Small Industries Corporation Ltd. Was established in 1955 by Central Government ?
27. What are the main objectives of Risk Capital and Technology Finance Corporation Ltd. (RCTFC) ?

28. What is Indian Investment Centre (IIC) ?
29. When and Why Khadi and Village Industries Commission (KVIC) was established ?
30. Who and how sponsored programmes of entrepreneurial development are made ?
31. What service Technical Consultancy Organisation (TCOs) renders for entrepreneurs ?
32. What is Entrepreneurial Development Programme ?
33. Who requires EDP ?
34. What do you understand by Innate Skills ?
35. Why Institutional support is required for entrepreneurs ?
36. Mention the activities division of Small Industries Development Organisation (SIDO).
37. Who comes forward to help small entrepreneurs ?
38. What are the training areas of institutions who help and support EDP ?
39. How National Small Industries Corporation Ltd. (NSIC) operation in India ?
40. How NSIC Acts as facilitator go of SSI Units for international cooperation ?

4. Answer the following questions within 50 words each.

1. What are different types of assistance provided by Financial Institutions?
2. What are different Central Government Institutions which provides assistance to SSI ?
3. What are different State Level Institutions which provides assistance to SSI ?
4. What are the management activities of SIDO (Small Industries Development Organisation)?
5. What are the Co-ordination activities of SIDO?
6. Write brief note on National Small Industries Corporation Ltd. (NSIC).
7. Mention the origin of SIDBI (Small Industries Development Bank of India).
8. What are the forms of assistance provided by SIDBI ?
9. "What SIDO (Small Industries Development Organisation) does ?
10. What does NSIC (National Small Industries Corporation) do ?
11. Mention the role of SISI (Small Industries Service Institutes) in providing consultancy and training to small entrepreneur.
12. Why DIC is considered as single window interacting agency at District level ?
13. What are the indirect assistance provided by SIDBI (Small Industries Development Bank of India) ?
14. What are new initiative of SIDBI for Small Industries ?
15. What are financial functions rendered by IPICOL (Industrial Promotion and investment corporation of Odisha Ltd.) ?
16. What are Non-Financial functions of IPICOL to industrial sector ?
17. Mention the inception of IDCOL (Industrial Development Corporation of Odisha Limited).
18. Why IDCOL was set up ?
19. What is area of operation of DRDA (District Rural Development Agency)?
20. Point out the progress of IDICOL.
21. What are important functions of FIEO (Federation of Indian Export Organisation) ?
22. What are functions of OSIC (Orissa Small Industries Corporation) ?
23. Write Note on SFCs (State Financial Corporations).
24. Write a note on DI (Director of Industries).
25. Mention the origin of Industrial Investment Bank of India (IIBI).

UNIT - III**GROUP - B : ANSWERS****3. Answer the following questions within 30 words each.**

1. Considering the complexities and multiplicity of difficulties faced by MSME both Governments have set up various specialized institution to render the financial, training and promotional support.
2. The refinance assistance is granted to SSIs for various purposes such as setting up new sales outlets, developing industrial estates to be allotted to the SSIs, purchase of equipment and machinery, expenses of consultancy, documentation, certification fee etc.
3. This scheme as launched by SIDBI is to provide direct finance to existing well-run small scale units taking up technology upgradation, modernization and refinance for resettlement of voluntarily retired worker of NTC (National Textile Corporation).
4. This is provided to entrepreneur who wants to set up new enterprise in tourism, hotels, hospitals and nurshing homes related enterprise whose project cost is more than Rs. 225 lakhs and term loan should not be less than Rs. 150 lakhs.
5. SIDBI provides direct finance for marketing of SSI products in the area of marketing research, product upgradation, advertising, branding, participation in trade fairs and exhibition undertaking promotional campaign and establishing showrooms.
6. This is meant for public sector, corporate body or good NGO entrusted by State or Union Territory to develop industrial estates and integrated infrastructural facilities in under developed areas.
7. Separate EDPs are organized for engineers, science and humanities graduate, SC & ST, ex-servicemen, people of backward and hilly areas etc. on regular basis.
8. Various schemes such as facilitating marketing support, credit support, technology support.
9. The basic objective of this park is to create high quality infrastructure facilities for setting up industry for export as well as domestic market.
10. Besides promotional and investment activities, IPICOL provides low cost consultancy services from time to time starting from conceptualization to commissioning of the plant.
11. It has promoted several service industries like Hotels, Printing Press, Film Studio and Theme Park like Aluminum Park and Food Processing Park at Khurda and Muniguda and Infocity at Bhubaneswar.
12. APICOL acts as the nodal agency for Ministry of Food Processing Industries and Commerce of Government of India, to facilitate export of Agricultural Products and processed foods in the country.

13. Future plan of IDCO, are to develop atleast one industrial estate each in 30 districts, Theme Park like Ekamra Haat, IDCO Tower, Fortune Tower, Infocity etc. on Single Window Concept.
14. This is so to provide for entrepreneurship education, training and research to entrepreneurs as they are not born but they can be made through.
15. Government has established DRDA in each district for planning, implementation, monitoring and evaluation of all antipoverty programmes in the district.
16. DRDA administration is founded on 75 : 25 basis by Central and State Government. Both salary and contingency expenditure are met from DRDA administration scheme.
17. SFC 1951 empowered the State Government to establish SFC in their respective regions for providing medium and short term finance to industries which are outside scope of the IFCI (Industrial Finance Corporation of India).
18. Course-curriculum should able to give knowledge and aware of role in the economic development and provide managerial and technical know law.
19. The participants should be provided with various project report so that they can study and analyse the feasibility of various projects with regard to marketing, technical, financial and social aspects.
20. For this faculty or resource persons should be from various professional education institution, universities, technical institution, banks, research and development institutions can be invited.
21. The basis of selection of potential entrepreneurs should be (a) Basis of information from application form (b) Written examination (c) Personal interview to know candidates ability, aspiration, knowledge etc.
22. During the training phase trainee's ability to survey market, research or market, marketing method and above all entrepreneurial ability should be tested. Accordingly project and feasibility report are prepared.
23. During this phase EDPs aim at developing right-type of entrepreneurial behavior as result of which they can set up and run their own enterprise effectively and efficiently.
24. This sponsored institute of all India Financial Institution and Government of Gujurat aims at conducting research and framing for institution building activities to encourage participation in backward region and special target group in entrepreneurship.
25. It is an apex body to supervise the activities of various agencies engaged in entrepreneurial development programe. Again the body also conduct EDP which are not undertaken by other agencies.
26. It helps Small Industries to assist in purchasing programme by providing vast-market for the products of small industries through it's marketing network.
27. The main objectives of RCTFC are provision of risk capital for the extension and expansion of entrepreneurial development and venture capital for the projects with high techniques for technology development and transfer.

28. This is an autonomous organization established by Central Government, with the objective is to assist in promoting foreign cooperation with Indian entrepreneurs and providing necessary information to foreign entrepreneurs.
29. KVIC was established by an Act of Parliament in 1956 with objective of promotion and development of Khadi and Village Industries in rural areas.
30. National Alliance of Young Entrepreneurs (NAYE) sponsors of number of entrepreneurial development scheme in collaboration with various Public Sector Banks in order to encourage young entrepreneurs to explore investment and self-employment opportunities.
31. A network of TCOs has been established with the objective of providing a comprehensive package of services to entrepreneurs in general and to small business entrepreneurs in particular.
32. An entrepreneurial development programme is a process to help the entrepreneur in strengthening and fulfilling his motive and in acquiring skills and capabilities to promote and manage his enterprise efficiently and effectively.
33. EDPs may be conducted to those categories such as Business Executive, Women Entrepreneurs, Technical and other Qualified Group, Weaker Sections of the society and Ex-servicemen.
34. Innate Skills are those skills which cannot be enhanced or developed rather are inherited in the form of genes from the parents. For example - Honesty, integrity or habit of industry.
35. Institutional support is necessary for entrepreneurs to get required guidance, provision of input factors and other help like marketing infrastructure etc. during initial stages of an enterprise.
36. The activities of SIDO are divided into three categories such as coordination, development and management activities of Industry.
37. The Central and State Government institutions have come forward to help small entrepreneurs in this regard by providing different type of assistance, support and facilities.
38. Training areas may be manpower Planning, Training Personnel, Performance appraisal and performance improvement administration.
39. In India, NSIC operates through zonal offices, branch offices, sub-offices, technical services centres, extension centres and software technology parks supported by a team about 1000 professionals.
40. NSIC has contributed a lot to strengthen cooperation and sharing best practices and experiences with entrepreneurs of other developing countries.

4. Answer the following questions within 50 words each.

1. Financial institutions provide medium and long term finance, helps in raising capital, purchase and underwrite shares and debenture, provide guarantee of loan and also grant loan in foreign currency for import of machinery and various other equipments. Besides that technical assistance in setting up new project.
2. Institution are mining of Small Scale Industries, Small Scale Industries Board, Small Industries development organization, National Small Industries Corporation and Specialised Institutions like Tool Room Training Centre, Entrepreneurship Development Centres and Technical consultancy organisation which help SSI.
3. State Level Institutions are State Directorate of Industries, Industrial Estates, District Industries Centers and Technical Consultancy Organisation. Stage Level Financial Corporation, IPICOL, APICOL, IDCO were established for the starting, development and growth of industries in the state.
4. Management activities are to provide (a) training development and consultancy services to develop their competitive strength, (b) marketing assistance, (c) helps in selection of plant and machinery, location, layout design and appropriate process, (d) help industries to get updated in various information related to the Small Scale Industries.
5. Co-ordination activities are related to various programmes and policies of various State Government, maintain relation with central industry ministry, Planning Commission, State level Industries Ministry and Financial Institutions, Implement and Co-ordinate the development of industrial estates and develop import substitution for components and produces.
6. NSIC was established in 1955 with the objectives to promote, aid and foster growth of SSIs. Over the year SSI sector, NSIC has provided strength through a progressive attitude of modernization, upgradation of technology, quality consciousness, strengthening of linkage with large and medium-scale enterprise and boosting of products from small enterprises.
7. For, ensuring large flow of funds to small sector, the Government of India set up SIDBI under special Act of parliament in 1989 as a wholly owned subsidiary of IDBI. The SIDBI has taken over the outstanding portfolio of IDBI relating to the Small Scale Sector and Commenced operation w.e.f. 2.4. 1990.
8. SIDBI provides direct Finance for specialized marketing agencies and ancillary units in rural sector in the form of venture capital and Equipment finance scheme. Other form of refinance in nature to commercial banks, RRB, SFC etc. against their direct finance to small industries.
9. SIDO is a subordinate office of department of SSI and ARI. It is a nodal agency for identifying the needs of SSI Units, coordinating and monitoring the policies and programmes for promotion of Small Industries. It undertakes various programmes of training, consultancy, evolution of needs of SSI.

10. NSIC was set up in 1955 with objective to help and enhance growth of SSI within country and abroad. Initially the main objective of corporation was to aid, counsel, finance and assist the small sector in obtaining a fair share of Government contract.
11. SISI which have been set up in state capitals and other places all over the country, is to provide consultancy and training to small entrepreneurs both existing and prospective. SISI is to render technical and entrepreneurial support service, EDP, promotional programmes and to conduct economic and technical surveys.
12. This is so because at district level it prepares and helps model project profiles for reference of entrepreneurs. It also prepare action plan to implement the scheme and provides the guidance for appropriate loan amount and documentation. All necessary input factors for entrepreneurs are also assisted and arrangement made to obtain for small industry.
13. Besides SIDBI's financial assistance to small sector through existing credit delivery system of state level institution, Rural and Commercial Banks IDBI also provides refinance to and discounts bills of Primary Lending Institutions for expansion, modernization, setting and diversification of existing units.
14. New initiatives are :
- (i) Two subsidiaries viz. SIDBI Venture Capital Limited and SIDBI Trustee Company Limited have been formed to oversee venture capital.
- (ii) Technology Bureau for oversea technology transfer, match making service, finance syndicating and facilitating joint venture.
- (iii) SIDBI foundation for Micro credit.
- 15.(i) Financial assistance to the industries between Rs.30 lakh and Rs.2 crores.
- (ii) Loan for construction of building and purchase of machinery and equipments.
- (iii) Sponsors and underwrites new shares and debenture.
- (iv) Offers subsidy such as power subsidy soft loan.
16. Non-Financial functions are
- (a) Identifies profitable projects
- (b) Prepares feasibility reports
- (c) Provides locational technical managerial and administrative guidance
- (d) Helps to obtain license
- (e) Helps in setting up joint sector projects.
17. The corporation started it's activity with engineering workshop of the Hirakud Dam Project which it took over in April, 1962 to develop the workshop to modern engineering works. The said workshop, now known as Hirakud Industrial Works Limited at Hirakud with a maiden turnover of Rs. 1 lakh has achieved a highest turnover Rs. 80 cores.
18. IDCOL is a Government Company with purpose for industrialization of the state at a time when the entrepreneurial skill and infrastructure facilities were lacking. It was incorporated to promote heavy and medium scale industries in the state.

19. The area of operation of the DRDA is the rural areas in the different blocks of the district. All poverty alleviation programme of the ministry of Rural Development, Government of India and ministry of Panchayatraj Department, Government of Odisha are implemented through DRDA.
20. IDICOL had set up a large number of medium industries in different parts of Odisha such as Hira cement works (Bargarh), Kalinga Iron Works, Ferrow Chrome Plant (Jajpur Road), Bailer Piping and Accessories works (Bhubaneswar) Konark Jute Limited (Dhanmandal) Orichem Limited (Talcher).
21. Important Functions are
 - (a) Issue Certificate of origin to the exporter
 - (b) Help the exporter in getting overseas buyers' list.
 - (c) Organise seminar, Workshop and exhibition for benefits of exporter
 - (d) Arrange buyer and seller
 - (e) Sends delegation, foreign, interface between government and exporter liaison between exporter and financial institution.
22. OSIC established in 1972 on authorized capital of 200 lakhs with an objective of assisting, promoting and counseling of small industries in India. It also renders the service of procurement and distribution of Raw-material, helps in deciding subsidy, reviving sick units of the state.
23. The State Financial Corporation Act was passed by the Parliament in 1951 along the lines of the Industrial Finance Corporation of India Act to provide at the state level long-term finance to medium and small scale industries. OSFC provides long-term finance to medium and small scale industries which are outside the scope of IFCI (Industrial Finance Corporation of India).
24. At the state level, the Commissioner / Director of Industries implements polices for the promotion and development of small scale, cottage, medium and large scale industries DI also oversee the activities of field office at the district level through DIC (District Industry Centres) state level its own policy and packages of incentives.
25. The IIBI was earlier called the Industrial Reconstruction Bank of India (IRBI). In fact, IRBI was set up by the Central Government in 1985 for the rehabilitation of sick industrial units. In 1993, it was re-structured and it's name was changed to IIBI for the purpose of revival of sick units.

UNIT - III**GROUP - C : LONG TYPE QUESTIONS**

1. Discuss the role of financial institutions in entrepreneurship development.
2. Explain the support services provided by the National Small Industries Corporation Ltd. (NSIC) to small-Scale industries in our country.
3. What are the objectives of FIEO (Federation of Indian Export Organisation) ?
4. Discuss the function performed by the Small Industries Development Organisation (SIDO) to boost the growth of Small Scale Industries.
5. What was the rationale behind setting up APICOL ?
6. Mention the function of APICOL.
7. Mention the Scope and Functions of SIDBI (Small Industries Development Bank of India).
8. Mention the objectives of EDIC (Entrepreneurship Development Institute of India).
9. Mention the function of DICs.
10. Discuss the objectives of IDCOL (Industrial Development Corporation of Odisha Ltd.).
11. How different Financial Institutions provide support the growth of entrepreneurship ?
12. Mention the functions of SISI (Small Industries Service Institutes).
13. Mention the objectives of IPICOL (Industrial Promotion and Investment Corporation of Orissa Limited).
14. Mention the functions SIDCS (State Industrial Development Corporation) to promote industrial development of the respective states.
15. Discuss objectives and functions of SFCs (State Financial Corporation).

UNIT - III

GROUP - C : ANSWER

1. Finance is regarded as the life blood of business as it is one of basic foundations of all kinds of economic activities. It is the master key which provides access to all the services being employed in manufacturing and merchandising activities. Proper financial resources will assist in the fulfillment the objective to earn profit.
As the enterprise grows, the finance needed for development and growth of business outstrips the entrepreneurs' ability to finance the same from internally generated funds. But in the initial stages, entrepreneur require large amount of capital. It is at this stage the financial institution's role becomes more significant.
Financial assistance to entrepreneur is granted by Commercial Banks, State Finance Corporations, State Director of Industries, National Small Industries Corporation (NSIC), State Small Industries Corporation (SSIC) and all Indian Development Bank, Credit facilities granted by Commercial Bank.
IDBI (Industrial Development Banks of India), SIDBI (Small Industries Development Bank of India) provide refinance facilities to other Banks and institutions providing direct finance to Small Industries, IDBI provides more than 1/3 financial assistance to small industries, followed by ICICI, IFCI, SIDBI, UTI, LIC and GIC.
 2. Support services provided by NSIC industry, are tailored to put small scale industries in competitive and advantageous position. The scheme comprises of facilitating marketing support, credit support, technology support and other support services.
- (A) Marketing Support - The schemes are
 - (i) Consortia and tender marketing - NSIC adopts consortia approach and forms consortia of units manufacturing the same products. It explores the market and procures orders for bulk quantities.
 - (ii) Single point registration for Government purchase
 - (iii) Exhibition and Trade Fair
 - (iv) Buyer, Seller meet
 - (v) Export of products and projects.
 - (B) Credit support
 - (i) Equipment financing
 - (ii) Tie-up with Commercial Banks - NSIC ties up with Commercial Banks for sanction of term loan and working capital loan to meet the credit requirements of small enterprises. The accredited small enterprises under the performance and credit rating scheme of NSIC will avail the opportunity to get the credit from these commercial banks at liberal rates.
 - (iii) Financing for procurement of raw-material
 - (iv) Financing of Marketing activities
 - (v) Performance and credit rating scheme
 - (C) Technology support - Through Technical Services Centres and Extension Centre
 - (D) Other support services - Those are :
 - (i) Infomediary Services - NSIC provides infomediary services to SSI units through its website www.nsie.co.i and supplies information on supplier and customer database, market intelligence, technology provider, information provider, linkage with relevant institutions.
 - (ii) Software Technology Park
 - (iii) International co-operation.

3. It is apex body of Indian Export Promotion Organisation. It provides the contents, direction and thrust to the expanding foreign trade of India. It represents the Indian entrepreneurs' spirit of enterprise in the international market. It is a non profit organization which acts as a primary service agency to provide integrated assistance to the government recognized export and trading houses. It also acts as the central nodal agency for the promotion of consultancy service and it's export from India.

Functions :

- (i) Establishing link with international agencies and export promotion organization.
 - (ii) Organising buyers - seller meets, trade fair, exhibition.
 - (iii) Issuing certificate of origin to the exporter.
 - (iv) Maintaining a comprehensive database of Indian exporter.
 - (v) Sending Indian exporter delegate to foreign countries for promoting exports of consultancy and other service.
 - (vi) Negotiating between exporter and financial institution for financial assistance.
 - (vii) Making contact with RBI, Foreign exchange Dealer's Association of India, and other related agencies, and to act as interface between the exporter and those institution.
4. SIDO is a subordinate office of the Department of Small Scale Industries (SSI) and Agro and rural Industries (ARI) set-up in 1954 to act as a nodal agency for formulating, coordinating and monitoring the policies and programmes for promotion and development of SSI.
- (i) Functions Relating to coordination to coordinate the policies and programmes of various state governments.
 - (ii) Functions Relating to Industrial Development.

- (iii) Functions relating to Extension - Improvement of production planning, selection of appropriate machinery, preparation of factory layout and design.
 - (iv) Functions relating to inspection, supervision and training, wide range of inspection and supervision services through its networks or 30 SISIs (Small Industries Service Institutes) 41 Extension Centre, 4 Regional Testing Centre, 1 Product and Process development centre and 5 Production Centres.
5. India is an agriculture country. Nearly 75% of people depends upon Agriculture Heavy dependence on agriculture is due to lack of opportunity in Industrial and service sector. APICOL started in 1996 with vision to bring shift from subsistence agriculture to commercial agriculture and development of Agro based and food processing industries along with Horticulture activities.

Objective :

- (i) Providing Financial Support for Agriculture Activities.
 - (ii) Counseling and training of the farmer.
 - (iii) Transforming the subsistence
 - (iv) Promoting Industrial Development
 - (v) Recognising agriculture as the status of industry and strengthening the rural economy of Odisha.
6. APICOL established in 1996, focused on implementation of Agriculture Policy in order to strengthen the financial assistance, counseling and training for the purpose of increase the productivity.

Functions are :-

- (i) Providing funds for investment in agriculture
- (ii) Conducting training for application of advanced technology in agriculture
- (iii) Developing commercial agricultural in the state
- (iv) Extending consultancy services to the farmer and developing entrepreneurial skill among them.

- (v) Providing various incentives to the farmers as offered in Agricultural Policy of the State.
- (vi) Promoting agri-business by linking agricultural entrepreneur with financial institutions and market.

Apart from the above, APICOL also acts as nodal agency for Ministry of Food Processing Industry and, Ministry of Commerce, Government of India, to facilitate export of agricultural products and processed foods in the country.

7. Scope - SIDBI covers all small industrial undertakings operating within India. It covers
- (a) Manufacturing, preservation of processing of goods
 - (b) Shipping, mining and hotel industries
 - (c) Generation and distribution of power
 - (d) Fishing and their storage
 - (e) Repairs and maintenance
 - (f) Research and Development of any process of product.

Functions - Some important functions are

- (a) To initiate steps for technological upgradation and modernization of the existing units.
- (b) To finance expansion and diversification
- (c) To promote employment oriented industries to create more employment opportunities in rural and semi-urban areas.
- (d) To provide ceasing and factoring services to SSI
- (e) To refinance loans and advances extended by the primary lending institution to SSI.
- (f) To grant loans and advances to entrepreneurs engaged in export and also for executing turnkey projects outside the country.
- (g) To expand the channels for marketing of SSI both in India and abroad.

8. Entrepreneurs are not born, they can be made through education, mining and development. Keeping this objective in mind EDI was set up in 1983.

Important objectives are

- (a) To develop competent entrepreneurs through education and training.
 - (b) To disseminate new knowledge and insight among the entrepreneurs acquired through research.
 - (c) To improve managerial capabilities and technical competency among the small entrepreneur.
 - (d) To in calculate the spirit of entrepreneurship among the unemployed educated youth.
 - (e) To bring together the educationist and entrepreneurs into one forum for exchange of ideas.
 - (f) To achieve corporate excellence by encouraging entrepreneurs.
 - (g) To facilitate interaction of Indian entrepreneurs with the entrepreneur of other developing countries to discuss the problems and prospects of SSI.
 - (h) To innovate new training techniques and consultancy with competent faculty support system.
 - (i) To organize training programme in rural areas to expand the social base of Indian entrepreneurial class for rapid industrialization.
9. DICs at every district Head-Quarter of country, were established in 1978 to provide an integrated administrative service under a single roof to all the SSIS operating within a district.

Important functions performed :

- (a) To undertake survey to identify feasibility ventures in ISB (Industrial, Service and Business Sector)
- (b) To help entrepreneur in documentation, registration and getting license.

- (c) To help entrepreneur in documentation, registration and getting license.
- (d) To guide the entrepreneurs in getting raw material, equipments, machinery etc. required for the production process.
- (e) To help the entrepreneurs in the operation of bank account, submission of quarterly and annual report to the government.
- (f) To conduct Entrepreneurship Development programme for the new as well as existing entrepreneurs to increase the base of industrialization.
- (g) To implement various scheme of central and state government such as Prime Minister Rozgar Yojana (PMRY) for the benefit of rural youth.
- (h) To prepare and keep model project profit for reference of the entrepreneurs.
- (i) To help entrepreneurs in project selection through cost-benefit analysis.
- (j) To inform the entrepreneurs about the availability of various incentive scheme of government.
- (k) To analyse the reasons of Industrial Sickness and helping the sick SSIs in this respect.
10. On 29th March 1962 Government had set up IDCOL to promote heavy and medium scale industries in the state. Objectives to set up IDCOL are :
- (a) To set up and promote industries both in public and private sector in the state for optimum utilization of mineral resource, available in the state.
- (b) To help in quick industrialization in the state.
- (c) To establish and execute Industrial Projects
- (d) To promote and finance industrial undertaking in both the sector with respect to capital, credit and resources.
11. Institutional supports are necessary for the development and growth of entrepreneurship. Those areas are
- (a) Prepare project profiles and feasibility
- (b) Undertake industrial potential survey
- (c) Provide Technical and Managerial Assistance
- (d) Undertake Market Research and Surveys
- (e) Undertake Export Consultancy
- (f) Conduct Entrepreneurship Development Programmes
- (g) Procure and Distribute Scarce Raw Material
- (h) Supply machinery an Hire Purchase system.
- (i) Rendering market assistance to Small Scale Industries
- (j) Provide consultancy and Trading Service
- (k) Development and upgradation of Technology and Implementation of modernization programmes
- (l) Provide infrastructure and accommodation facilities.
12. SISI provides consultancy ad training to small entrepreneurs both existing and prospective. All state capitals and industrial towns have SISI offices to assist Small Industries and to organize training and seminars.
- The main functions of SISI include :
- (a) Serve an interface between centres and state government
- (b) Render Technical Support
- (c) Conduct EDP
- (d) Initiate promotional programmes
- (e) Provide guidance
- (f) Assist in preparing project reports

- (g) Provide consultancy and information
 - (h) Supports in modernisation
 - (i) Provide workshop facilities
 - (j) Provide Training
13. IPICOL was formed in the year 1973 for rapid industrialization. Objectives of IPICOL are :
- (a) Undertaking Feasibility study - for Identification of profitable project preparing project report offering these reports to entrepreneur
 - (b) Identification of Entrepreneurs
 - (c) Offers Technical Assistance
 - (d) Provides Financial Assistance through - direct participation in equity, underwriting shares and term loan.
 - (e) Implementing different incentive scheme
 - (f) Setting-up joint sector project
 - (g) Assist in investigating problems of industries
 - (h) Managerial, Technical and Administrative Assistance
 - (i) Sponsor and underwrites new issue
 - (j) Takes order from the Government
 - (k) Take possession of finished products

14. The functions provided by SIDCS are :
- (a) Providing Finance to Small, Medium and Long term Finance to all the industries.
 - (b) Underwriting and subscribing the securities
 - (c) Conducting market surveys
 - (d) Implementing scheme of IDBI
 - (e) Collaboration with private entrepreneur
15. Objective - To Finance and promote small and medium enterprises in their respective states for achieving regional growth, to act as catalysts for investment, generate employment and widen ownership base of Industry.

Functions -

- (a) SFC operate a number of scheme of refinance of IDBI and SIDBI and also equity type assistance.
- (b) SFCS have tailor-made scheme for artisans and special target group such as SC/ST, Women, Ex-servicemen, Physically Challenged and also provide financial assistance for small road transport operator, hotels, tourism - related activities.
- (c) Single Window Scheme of SIDBI extending working capital along with term loan to mitigate the difficulties faced by SSI in obtaining working capital limit on time.

UNIT-IV

KEY CONCEPTS

DEVELOPING ENTREPRENEURIAL COMPETENCIES

Meaning of Entrepreneurial Competency. Need for Developing Competencies. Entrepreneurship Development Programme : need and Objective, Major Institution Conducting EDPs.

The qualities which makes an entrepreneur successful are known as entrepreneurial competency.

Meaning -

The possession of certain knowledge, skill, trait and quality; are called entrepreneurial competency. In fact any job or task, to be performed effectively and efficiently, requires the performer to possess certain required level of job related knowledge and experience, skill and technical knowhow along with other character based trait like motivational drives, patience and perseverance etc. competencies increase the capability of a person to perform better.

Need -

An entrepreneur faces a number of problems not only while starting the business but also during the process of production and distribution. In order to solve these problem competencies are to be developed among the entrepreneurs. There are certain inborn qualities while certain others can be acquired through education and training. This fact has been amply demonstrated in Kakinada Experiment conducted by Mc Clelland. Various competencies can be cultivate or developed by adopting the following procedure.

1. Recognition of Competencies
2. Self assessment
3. Comparison of competencies
4. Feedback

Entrepreneurship Development Programme :

Needs and objective

EDP helps the entrepreneur in creating a successful industrial or business environment by giving education and training, providing information about material resources and by framing a policy of regional development. It is a part of human resource development. EDP is designed to help an individual in strengthening his entrepreneurial motive and in acquiring skills and capabilities necessary for playing his entrepreneurial role effectively.

Objective

Main objective to develop potential entrepreneur into real entrepreneurs. They are to identify business opportunities furnish environmental scanning. It provides self-employment besides creating employment for others.

Major Institutions Conducting EDPs

- (1) National Institute for Entrepreneurship and Small Business Development (NIESBUD).
- (2) Centre for Entrepreneurship Development (CED).
- (3) Institute of Entrepreneurship Development (IED).
- (4) Management Development Institute (MDI).
- (5) Science and Technology Entrepreneurship Parks (STEP).
- (6) National Alliance of Young Entrepreneurs (NAYE).
- (7) Technical Consultancy Organisations (TCO)
- (8) Indian Investment Centre (IIC).
- (9) Entrepreneurial Motivation Centre (EMC)
- (10) National Institute for Small Industries Extension and Training (NISIET).
- (11) Entrepreneurial Development Institute of India (EDII).

UNIT - IV**GROUP - A : OBJECTIVE TYPE QUESTIONS**

1. *From the following alternatives given below in each bit choose the correct answer.*

1. Requirements for developing competency includes
 - (a) Realism
 - (b) Managing Time
 - (c) Creativity
 - (d) None of the above
2. Major competency includes
 - (a) Feedback
 - (b) Strong desire
 - (c) Awareness
 - (d) None of the above
3. Developing competency requires
 - (a) Self assessment
 - (b) Self start ability
 - (c) Co-ordination
 - (d) None of the above
4. Need for developing competency is based on
 - (a) Awareness
 - (b) Superintendence
 - (c) Self Assessment
 - (d) None of the above
5. One of the major competence is
 - (a) Entrepreneurial skill
 - (b) Effective decision making
 - (c) Post training assistance
 - (d) All of the above
6. The success of any enterprise is attributed to the success of:
 - (a) Promoter
 - (b) Manager
 - (c) Entrepreneur
 - (d) Employees
7. Entrepreneurial Development is the act of
 - (a) HRD
 - (b) Training
 - (c) Promotion
 - (d) Placement
8. Entrepreneurial Development is tool of industrialisation and a solution to
 - (a) Financial skills
 - (b) Technical skills
 - (c) Marketing skills
 - (d) Unemployment
9. Entrepreneurship Development Programme is required for the
 - (a) Business executive
 - (b) Unemployed youth
 - (c) Non-technical groups
 - (d) Business Administrator
10. Entrepreneurial Competencies include
 - (a) Initiative
 - (b) Systematic planning
 - (c) Self confidence
 - (d) All of these
11. Types of Entrepreneurial Competencies
 - (a) Behavioural Competencies
 - (b) Enterprise Launching Competencies
 - (c) Enterprise Management Competencies
 - (d) All of these
12. Which of the following is not a Quality of an entrepreneur.
 - (a) Indecisive
 - (b) Persuasive
 - (c) Persistent
 - (d) Self-confident

13. In India Entrepreneurial Development Programme is :
- (a) Necessary
 - (b) Unnecessary
 - (c) Wastage of time
 - (d) Wastage of money
14. Critical evaluation points of entrepreneurial development programme are
- (a) Organisation policies
 - (b) Lack of suitable selection procedure
 - (c) Low quality of technical and vocational education and training
 - (d) All of these
15. Entrepreneurial Development Programme provides :
- (a) Unemployment (b) Employment
 - (c) Dishonesty (d) Corruption
16. An entrepreneur is :
- (a) Born
 - (b) Made
 - (c) Born and Made both
 - (d) None of these
17. Entrepreneurial Development Institute of India (EDII) is situated in
- (a) Ahmedabad (b) Mumbai
 - (c) New Delhi (d) Chennai
18. Entrepreneurial Development Institute of India was established by :
- (a) Maharashtra Government
 - (b) Gujarat Government
 - (c) Madhya Pradesh Government
 - (d) Tamil Nadu Government
19. Indian Investment Centre was established by:
- (a) Government of India
 - (b) Madhya Pradesh Government
 - (c) Maharashtra Government
 - (d) Gujarat Government
20. The future of entrepreneur in India is
- (a) In dark (b) Bright
 - (c) In difficulty (d) None of these
21. The attitude of Indian Government Machinery towards entrepreneurial development programme is :
- (a) Destructive
 - (b) Negative
 - (c) Constructive
 - (d) Non-cooperative
22. Entrepreneurial Development is possible with:
- (a) Motivation (b) Training
 - (c) Proper Education (d) All of these
23. Who requires EDP ?
- (a) Qualified group
 - (b) Technical persons
 - (c) Ex-servicemen
 - (d) All of these
24. In India stress is given on :
- (a) Training Centre Training
 - (b) On the job training
 - (c) Off the job training
 - (d) All of these
25. EDP is meant for developing :
- (a) Personal Qualities
 - (b) Entrepreneurial motive
 - (c) Professional skill
 - (d) all of these

26. EDP should be organised normally for :
- (a) 6 weeks duration
 - (b) 4 weeks duration
 - (c) 8 weeks duration
 - (d) 10 weeks duration
27. Which of the following is not involved in EDP?
- (a) Arranging infrastructural facilities
 - (b) Selection of Entrepreneurs for training
 - (c) (a) & (b) above
 - (d) Neither (a) nor (b) above
28. In EDP emphasis should be given on :
- (a) On the job training
 - (b) Off the job training
 - (c) (a) & (b)
 - (d) Neither (a) nor (b)
29. Entrepreneur should have competency
- (a) Information seeking
 - (b) Persuasion
 - (c) Assertiveness
 - (d) All of above
30. Which is not quality of a successful manager ?
- (a) Problem solving
 - (b) Commitment to work
 - (c) Efficiency orientation
 - (d) Lack of confidence
31. Need for development of competency is based on is :
- (a) Competency Recognition
 - (b) Self-assessment
 - (c) Competency Application
 - (d) Feed back
32. Last step in procedure of development of competency is :
- (a) Competency recognition
 - (b) Self-assessment
 - (c) Competency application
 - (d) Feedback
33. Objectives of Entrepreneurship Development Programmes (EDPs)
- (a) Motivating
 - (b) Importing Entrepreneurial Qualities
 - (c) Help in Identifying and Selecting Opportunity
 - (d) All of above
34. Course contents of an EDP include :
- (a) General Introduction
 - (b) Management Skills
 - (c) Motivation and Training
 - (d) All of above
35. The main objective of EDP is to prepare the participants to start their
- (a) Enterprise
 - (b) Job
 - (c) Profession
 - (d) all of above
36. An Entrepreneurship Development Programme consists of how many phases.
- (a) 2
 - (b) 3
 - (c) 4
 - (d) 5
37. Training phase of EDP include
- (a) Selection of entrepreneurs
 - (b) Creation of infrastructure for training
 - (c) Developing Management abilities
 - (d) Arrangement of faculty for the training purpose

38. Method of evaluating the EDP is to assess their effectiveness in developing 'need for achievement' among the entrepreneurs is termed as :
- (a) 'Qualitative Evaluation' of EDPs
 - (b) 'Quantitative Evaluation' of EDPs
 - (c) Both (a) and (b)
 - (d) None of these
39. EDP organisers should prepare the content
- (a) Local resource
 - (b) Finding
 - (c) Training requirement
 - (d) All of the above
40. Centre for Entrepreneurship Development was established in
- (a) 1978
 - (b) 1979
 - (c) 1980
 - (d) 1981
41. Management Development Institute has been formed at
- (a) Gurgaon
 - (b) New Delhi
 - (c) Nasik
 - (d) Lucknow
42. Entrepreneurial Development Institute of India (EDII) formed in
- (a) 1982
 - (b) 1983
 - (c) 1984
 - (d) 1985
43. Part time EDPs are meant for
- (a) Self-employed persons who are not position for to take programme regularly
 - (b) Working people
 - (c) Students
 - (d) All of the above
44. In EDP Education system should be
- (a) Entrepreneurship oriented education
 - (b) Technical
 - (c) Professional
 - (d) All of the above
45. National Institution of Entrepreneurship and Small Business Development (NIESBUD) was established in
- (a) 1982
 - (b) 1983
 - (c) 1984
 - (d) 1985

2. Do as Directed Questions

2 (a) Answer the following questions in one sentence each.

1. What do you mean by competency ?
2. What is threshold competency ?
3. What is core competency ?
4. What do you mean by Entrepreneurial Competency ?
5. Why the functions of entrepreneurs are considered as adventures ?
6. What is initiative of a Entrepreneur ?
7. What is persistence of a Entrepreneur ?
8. What should be commitment of entrepreneur ?
9. What is the assertiveness of a entrepreneurs ?
10. What do you mean by competency Recognition ?
11. What is self-assessment ?
12. How Competency Application can be made ?
13. What is feedback ?
14. How EDP is responsible to increase the income and provides employment ?
15. How EDP reduces social tension ?

2 (b) Express the following in one word / term each.

1. The state of being fit or suitable for a given activity of task is termed as.
2. A driving force that promotes a person to act in a particular is.
3. A programme that helps persons in improving their entrepreneurial competency, skills, motives and capabilities required for being a successful entrepreneur is called.
4. The ability to convince and make people to do is.
5. Strict adherence to official formalities is called.
6. An underlying characteristics of a person which leads to his/her effective on superior performance in a job.
7. The first step involved in developing a particular competence procedure is first to understand and recognize a particular competence.
8. After competency application, one needs to make an introspection of the same.
9. The confidence about the capabilities towards attainment of the objectives is known as :
10. The quality of entrepreneur to accept the changes is known as :
11. Activities of EDP providing encouragement for the growth, is known as :
12. EDP activities to provide all possible support for helping speedy growth of entrepreneurs.
13. EDP involves various activities and preparation to launch the required training programme for the prospective entrepreneurs.
14. Relevance of EDP is to train entrepreneur to use maximum level of which resources.
15. Entrepreneurship programme helps to remove what by providing various incentives and subsidies etc. to start business.

2 (c) Correct the underlined portion of the following sentences.

1. There are five different stages involved in the process of EDP.
2. Management Development Institute was set up as an autonomous body under the Societies Registration Act on April 20, 1983.
3. The full form of IED is International Entrepreneurship Development.
4. The National Institute of Entrepreneurship and Small Business Development (NIESBD) was established in the year 1995.
5. Entrepreneur should have delayed action.
6. Entrepreneur should use standard tools and technique to tackle various obstacles.
7. Ability is required to convert the knowledge into action.
8. Competencies can be utilised without having a proper knowledge and understanding of their meaning, importance and relevance.
9. Competency recognition is considered as the 1st step in the process of developing entrepreneurial competency.
10. Self-assessment helps in learning the rewards of new competency.
11. EDP creates Individual awareness and interest about the charm of being entrepreneur.
12. Sustaining objectives include activities meant for making entrepreneurs feel as effective partners in the socio-economic upliftment of the people in general.
13. EDP maximise social tension and unrest among youth.
14. EDP creates less employment opportunities for the rural people.
15. Post-training or follow up phase is treated as a repeated phase of training programme.

2 (d) Fill in the blanks.

1. Entrepreneurial competency is also called as entrepreneurial _____.
2. The basic entrepreneurial competencies are knowledge _____ and motivation.
3. Skills are acquired by _____ only.
4. _____ is an urge to achieve one's goal.
5. Entrepreneurs born and cannot be developed is disapproved by the experiment of _____.
6. The steps in developing competencies are competency recognition _____ competency application and feedback.
7. Preparing a personality for the entrepreneurial venture, making him competent to assess the environment is known _____ objective of EDP.
8. Equipping the entrepreneur with all the skills required for running of business venture is known as _____ objective of EDP.
9. Khadi and Village Industries Commission (KVIC) was established to promote _____ industries.
10. Intelligence, motivation, knowledge and opportunity are prerequisites of _____.
11. National Institute for Entrepreneurship and Small Business Development (NIESBD) is set up to provide a sound _____ programme for selected entrepreneur.
12. EDP focuses on _____ rather than project.
13. The last phase of EDP is _____.
14. The objective of EDP is to convert _____ potential entrepreneur to real entrepreneur.
15. Technical training is provided by _____.

UNIT - IV**GROUP - A : ANSWERS**

1. From the following alternatives given below in each bit choose the correct answer.

1. (b) Managing Time
2. (b) Strong desire
3. (a) Self assessment
4. (b) Superintendence
5. (a) Entrepreneurial skill
6. (c) Entrepreneur
7. (a) HRD
8. (d) Unemployment
9. (a) Business executive
10. (d) All of these
11. (d) All of these
12. (a) Indecisive
13. (a) Necessary
14. (d) All of these
15. (b) Employment
16. (c) Born and Made both
17. (a) Ahmedabad
18. (b) Gujarat Government
19. (a) Government of India
20. (b) Bright
21. (c) Constructive
22. (d) All of these
23. (d) All of these
24. (a) Training Centre Training
25. (b) Entrepreneurial motive
26. (d) 10 weeks duration
27. (a) Arranging infrastructural facilities
28. (a) On the job training
29. (d) All of above
30. (d) Lack of confidence
31. (b) Self-assessment
32. (d) Feedback
33. (d) All of above
34. (d) All of above
35. (a) Enterprise
36. (b) 3
37. (c) Developing Management abilities
38. (a) 'Qualitative Evaluation' of EDPs
39. (d) All of the above
40. (b) 1979
41. (a) Gurgaon
42. (b) 1983
43. (d) All of the above
44. (d) All of the above
45. (b) 1983

2. Do as Directed Questions

2 (a) Answer the following questions in one sentence each.

1. Competency used in relation to a person means his fitness in terms of required abilities, knowledge, skills and other personality trait.
2. This is the commonly required competency for all type of Jobs.
3. This is certain special competency meant for certain type of job.
4. It means cluster of competencies in different areas that a person needs to develop and possess to function as successful entrepreneur.
5. As they move in uncharted paths, explore new opportunities and avenues for investment, take huge risks in trying their luck in new investment.
6. It is the inner urge in individual to do or initiate something.
7. It refers to taking repeated action to overcome the obstacle and achieving the desire goal.
8. It is a trait of entrepreneur where he/she puts extra-ordinary effort to complete the work.
9. It refers to confront a problem directly with openness and honesty.
10. This is the process of recognizing and understanding a particular competency.
11. This is the process of frequent application of competency to solve different problem.
12. Application of competency on continuous basis.
13. This is the process of introspection to know how much gain is obtained from EDP.
14. It uses idle resources, increase the income and gives employment.
15. EDP helps by encouraging and providing right direction to start a new business.

2 (b) Express the following in one word / term each.

1. Competency
2. Motive
3. Entrepreneurship Development Programme
4. Competency
5. Red-tapism
6. Competence
7. Competency Recognition
8. Feedback
9. Self confidence
10. Adaptability
11. Stimulating objectives
12. Supportive objective
13. Pre-training phase
14. Locally available resources
15. Industrial slum

2 (c) Correct the underlined portion of the following sentences.

- | | |
|---|-------------------------------|
| 1. Three | 8. Cannot |
| 2. Entrepreneurship Development Institute of India (EDII) | 9. 2nd |
| 3. Institute of Entrepreneurship Development | 10. Feed back |
| 4. 1983 | 11. Mass |
| 5. Prompt | 12. Socio-economic objectives |
| 6. Several | 13. Minimise |
| 7. Skill | 14. More |
| | 15. Review phase |

2 (d) Fill in the blanks.

- | | |
|-------------------------|--|
| 1. Traits | 9. Village |
| 2. Skill | 10. Entrepreneur Development |
| 3. Practice | 11. Training |
| 4. Motive | 12. Person |
| 5. David C. Me Clelland | 13. Follow-up |
| 6. SelfAssessment | 14. Potential |
| 7. Short term | 15. Technical Consultancy Organisation (TCO) |
| 8. Long term | |

UNIT - IV**GROUP - B : SHORT TYPE QUESTIONS****3. Answer the following questions within 30 words each.**

1. Define competency.
2. What do you mean by Entrepreneurial competencies ?
3. What do you mean by "Threshold Competencies" ?
4. What is "core competency" ?
5. What do you mean by knowledge ?
6. Why skill is required ?
7. What is motivational drive ?
8. Why EDP is necessary ?
9. What is stimulating objectives of EDP ?
10. Mention the supportive objective of EDP.
11. How far EDP is helpful to avoid mismatches the demand for and supply of entrepreneurial manpower ?
12. How EDP helps to generate self-employment and employment for others ?
13. How far EDP helps in boosting the foreign trade ?
14. How EDP helps innovative changes in business ?
15. Why in EDP take there is no standard selection process ?
16. What is pre-training phase of EDP ?
17. What is training phase of EDP ?
18. What should be curriculum of training phase of EDP ?
19. What is follow-up phase of EDP ?
20. Which Centres of Entrepreneurship Development (CED) conducts EDP in India ?
21. How did Entrepreneurial Development Institute of India (EDII) come into existence in the year 1983 as an autonomous body under Society Registration Act at Gujarat ?
22. What is the basic objective of EDII ?
23. Why National Institute for Entrepreneurship and Small Business Development (NIESBUD) was established in the year 1983 ?
24. Mention the activities of Small Industries Service Institutes (SISIs).
25. What is duration of EDP as organized by SISIs ?
26. What is status of National Skill Development Agency (NSDA) ?
27. To whom NSDA will take care for providing Skill Development Programmes.
28. Mention how National Skill Development Corporation (NSDC) is constituted ?
29. What is key objective of NSDC ?
30. What is Sector Skill Councils ?
31. What are the different agencies and organisations to carry forward of EDP at state level ?
32. What should be course coverage in six week's training of EDP ?
33. How economic environment will influence entrepreneur ?
34. Why entrepreneur should be quality consciousness ?

- | | |
|---|---|
| 35. What is 'Assertive' quality of entrepreneur ? | 40. Which type of activities do National Institute for Small Industries Extension and Training (NISIET) undertake ? |
| 36. What is the nature of National Alliance of Young Entrepreneurs (NAYE) ? | 41. Why competency can be applied Frequently ? |
| 37. What Technical Consultancy Organisation (TCO) ? | 42. What is the role of an entrepreneurship in economic development ? |
| 38. What are main functions of Indian Investment Centre (IIC) ? | 43. Who are Business Consultants ? |
| 39. Why Entrepreneurial Motivation Centre (EMC) was established in North-Eastern region ? | 44. What do you mean by Consultancy Organisation ? |

4. Answer the following questions within 50 words each.

- | | |
|---|---|
| 1. What are different components of Entrepreneurial Competency ? | 13. What are different types of entrepreneurial competencies ? |
| 2. "Grabbing the opportunity, where it comes". Justify, considering from the point of view of entrepreneur. | 14. Write a note on EDP as a panacea of all ills ? |
| 3. Why entrepreneurs should use updated information and technology ? | 15. Explain the pre-training phase of EDP. |
| 4. Why systematic planning on behalf of entrepreneur is necessary the successful implementation of venture ? | 16. What are the functions to be performed during training phase ? |
| 5. Why persuasion is considered as important trait of entrepreneurs ? | 17. What are the objectives of post training phase or follow-up phase ? |
| 6. "A good entrepreneur must have the problem solving attitude". Justify. | 18. What does training programme of Entrepreneurial Development Institute of India consist of ? |
| 7. Why various competencies can be cultivated ? | 19. What are major activities of National Institution of Entrepreneurship and Small Business Development, New Delhi (NIESBUD) ? |
| 8. What are the procedure for development of competencies ? | 20. Mention the objectives of National Institute of Small Industries Extension Training (NISIET). |
| 9. Competencies can be recognized ? | 21. Discuss the role of Public Sector Banks in association with NAYE (National Alliance of Young Entrepreneurs) for conducting EDP. |
| 10. What do you mean by Self-Assessment of Competencies ? | 22. Why instead of so many EDPs are conducted, success rates are low ? |
| 11. Why individual competencies will be compared with the competencies required for the desired performance ? | 23. "Training alone cannot be sufficient for entrepreneurial development" - Justify. |
| 12. What is feedback in the procedure of developing entrepreneurial competencies ? | 24. "The success of EDP is judged by number of entrepreneurs joining it rather than the quality" - Comment. |
| | 25. What should be duration of EDPs ? |

UNIT - IV**GROUP - B : ANSWERS****3. Answer the following questions within 30 words each.**

1. Competency means a fitness of a person in terms of required abilities, knowledge, skill and other personality traits like motivational drives, patience and perseverance etc.
2. It means the cluster of competencies in different areas that a person need to develop and possess to function as a successful entrepreneur.
3. Those are certain type competencies which are commonly required for all type of jobs irrespective of their type, nature and complexities involved.
4. Certain type of jobs or tasks may also require the former to have certain kind of special or specialized or critical type of competencies to perform which are called 'core competencies'.
5. Knowledge represents clear understanding and assimilation of basis or fundamentals as related to understanding of one's own area or held of specialization.
6. Knowledges provides basic ideas about the work but skill is required to convert the knowledge into action and motivational drive to do the best leads to perfection super performance.
7. Motive may be defined as a driving force that prompts a person to act in a particular way. Determination of a person to complete a particular task may be regarded as his motive.
8. EDP works as an important and effective mechanism for developing economic development of our country. This leads to generation of employment, promotion of SSI and overall economic development of the country.
9. It implies the activities meant for on entrepreneurship. Act of motivating potential candidates to transform them to job seekers to job creation.
10. This includes all possible support for facilitating speedy growth of entrepreneurs. In relation to this EDP provides knowledge of process and procedure involved in setting an enterprise.
11. With growing importance of rapid industrialization and particularly in MSME sector the demand for entrepreneurs have been increased. This can be supplies with more EDP at different level.
12. Training Youth as entrepreneurs and inducing them with all possible back up to set up their own venture the self-employment and employment generation can be ensured.
13. EDP conducts several training programmes for providing training and develops the skill to start venture for production. Using local resources, the entrepreneurs will able to enhance export by reducing import.
14. EDP enables entrepreneur to make various changes in the existing pattern of business system which may sometime results in chain reaction. Innovative modes of operation will able to enhance business.
15. This is so because EDP will cater the need and preference to individual entrepreneur who will be equipped with own project ideas. Thus there is no uniform policy of selection.

16. Being the 1st phase of EDP, it involves various activities and preparations to launch the required training programme for the prospective entrepreneurs.
17. This is 2nd training phase of EDP where the steps are taken to allure and motivate the Youth to take up entrepreneurship as a career and to develop in them the required skill or competency.
18. Curriculum should be theoretical and practical knowledge to various trainees for whom training programs are arranged to develop their skills and abilities. Group Discussion and close interactive actions can also be arranged.
19. This is also known as post-training phase or review phase of training of Entrepreneurs. In this phase the assessment of effectiveness of the training programme can be made.
20. CED established in 1979 at Gujarat, does training programme for new entrepreneur. Selected prospects from different field, are provides training basically on qualitative aspect and economical prospects of venture to be started by entrepreneurs.
21. IDBI (Industrial Development Bank of India) joined hands with ICICI (Industrial Credit and Investment Corporation of India), IFCI (Industrial Finance Corporation of India), SBI (State Bank of India) and decided to sponsor this EDII national level institution with the consent and co-operation of Gujarat Government, EDII came into existence.
22. EDII has been spearheading entrepreneurship movement all over the country with a belief that entrepreneur need not necessarily be born, but can be developed through well - conceived and directed activities.
23. NIESBUD is an apex body operated under the administrative control of the Ministry of Skill Development and Entrepreneurship, Government of India, with objective of carrying out training and other entrepreneurship development programmes.
24. SISIs are set-up one in each state to provide consultancy and training to small and prospective entrepreneurs. SISI performs a wide spectrum of technological, management and administrative training.
25. SISIs have been generally organizing different type of EDPs o a specialised courses for different target groups. Generally EDP is made for a duration of four weeks.
26. The NSDA is an autonomous body that was created with mandate to co-ordinate and harmonise the Skill Development activities in the country.
27. In order to ensure the skilling needs of disadvantaged and marginalized groups like SC, ST, OBC, Minorities, Women and Differently able persons are taken care of through the various skill development programmes by NSDA.
28. NSDC is a non-profit company constituted under companies Act, 1956; where 51% of it's equity is held by Private Sector and 49% by Government.
29. Key objectives of NSDC are to involve private sector and create capacity for skill development in various sectors including the high growth sectors, through appropriate mechanisms.
30. Sector skill councils are industry led bodies and industry governed bodies, and will complement the existing vocational system for industry sector in meeting the entire value chain requirements of trained manpower.

31. Those state level institutes of conducting EDP are different Universities, Educational Institutions and IIT which undertake regular EDP and also DIC, DRDA etc. take the programme.
32. The course coverage consist of
 - (i) General introduction
 - (ii) Motivation training
 - (iii) Management Skills
 - (iv) Support System and procedure
 - (v) Basics of project feasibility study
 - (vi) Plant visits
33. Since economic environment is lightly volatile the entrepreneur who detects and evaluates new situation in his environment and make adjustment, will able to increase his competency level.
34. Industrial world is highly competitive as consumer always search for better quality product. Therefore, an entrepreneur must set standard for excellence.
35. Confronting a problem directly with openness and honesty is called assertiveness. So, an entrepreneur must fell others frankly what they have to do disciplines the under performers.
36. NAYE is an institution for promotion and development of entrepreneurship among women by helping them in obtaining capital, infrastructure and encouraging their participation in trade fair and exhibition.
37. Two established at state level, provides technical and consultancy guidance to the prospective entrepreneur. It assesses feasibility of a project and helps in updating technical skill.
38. It is an autonomous body whose prime function is to promote joint venture between Indian entrepreneurs and foreign entrepreneurs. Necessary information are provided to foreign investors to invest in India.
39. EMC was set up for the purpose of studying the Psychological and aptitude of entrepreneurs of the regions and finally select and motivate them to start new industries.
40. NISIET identifies potential entrepreneurs and also organizes EDP and MDP (Management Development Programme). It also prepares industrial project and helps them in obtaining financial support from banks and Financial Institutions.
41. Competency is to be practiced on continuous basis in various activities so that it's practical utilities can be obtained. There is saying that practice makes a man perfect.
42. It is the EDP though which entrepreneurs learn the required knowledge and skill for mining enterprise successfully which ultimately contribute towards economic progress.
43. Business consultants, also known as management analysts, work in areas that include marketing, human resources, management and accounting. Consultants help to improve companies by assessing weakness and recommending solutions.
44. A consulting organisation is an organization that offers specialized expertise to it's clients. Different consulting organizations offer different types of advice. Those may engineering and no engineering.

4. Answer the following questions within 50 words each.

1. Knowledge, skill, motive and environmental adjustment are four components of entrepreneurial competency knowledge is the collection and retention of information. Skill is the art of doing. Motive is the urge to achieve something. Environment is the surrounding within which entrepreneur is to work after adjusting.
2. Opportunity does not come always. Even if it exists some people fail to visualize it. A good and effective entrepreneur must look for the opportunities and grab it at right time to take his business to great height. This will lead to success.
3. This is so because it will help to reduce the cost and enhance the production. An entrepreneur must update with latest technology by using the local resources for the financial benefit to self and also able to create consumer satisfaction. For the purpose he gathers information and consult experts continuously.
4. Planning is a process of thinking in advance what is to be done in future. An entrepreneur must develop plan, anticipate obstacles, evaluate alternatives and give a logical and systematic approach to activities in order to reach the goal. If entrepreneurs plan systematically and go step by step, half of the battle is won.
5. Convincing others in a positive way by highlighting one's strength is termed as persuasion. Entrepreneur must have the ability to persuade the bank manager to get a loan, the project manager to approve the project, the customer about the goodness of his product and so on.
6. Problems are bound to occur in every steps of business. The entrepreneur must not avoid those. He must employ various strategies to solve these problems rather than running away from the problems. Every solution will give rise to the new hope to entrepreneur towards the achievement of goal.
7. Competencies have direct bearing on the performance of an entrepreneur. Again Entrepreneurial success depends upon entrepreneur's competencies to a great extent. There are certain in born qualities while certain others can be acquired through education and training. This fact has been amply demonstrated in Kakinada Experiment conducted by Mc Clelland.
8. Existence of competencies give rise to superior performance. Entrepreneurial competency can be installed in human mind through education and training.

Development of competency involves :
 - (a) Competency Recognition
 - (b) Self Assessment
 - (c) Competency application
 - (d) Feed back
9. An individual's performance depends upon the competencies he possesses. Thus in order to get the desired behavior we should be in a position to know as to what are the competencies required in an individual to perform in a particular manner. The effort is made to recognize the competencies needed.

10. After getting clear-cut idea about the competencies required for a particular type of behavior, it is for the entrepreneur to see as to what extent he possesses these competencies and to what extent he is employing these competencies for achieving the desired goal.
11. Comparison is required in order to find out the deficiency between two for the purpose to take corrective measure after identifying and analysing reasons thereof. Corrective measure can be made through again system approach to EDP.
12. It means to know the strengths and weaknesses of one's new behavior. This helps one to know how the new behavior has been rewarding. This enables one to sustain or give up the exhibition of a particular behavior or competency in his future life.
13. Entrepreneurial competencies can broadly be classified into
 - (a) Behavioural competencies - Related to type of behavior exhibited.
 - (b) Enterprise launching competencies - Prospective entrepreneur have to develop the capability of selecting a suitable project.
 - (c) Enterprise Management Competencies - Related to management skill.

In fact there is no clear cut demarcation among them. They intermingle with each other.
14. To some extent it is true that EDP provides necessary training for the development skill and also incentives provided by Government for the installation and working of enterprise. But it is only means not an end. It depends upon the entrepreneur how far he will grab the opportunities.
15. This is the first phase of the EDP. Which includes deciding on target group to whom training will be given. Then course contents, coordinator, location and necessary infrastructure will be considered. Publicity ad campaign are made to mobilise target group and finally dignitaries may be contracted to inaugurate.
16. The functions are :
 - (a) Contacting resource personnel for teaching and training
 - (b) Inviting successful entrepreneur to interact with trainees
 - (c) Organising visit to nearby industries to gain some practical knowledge.
 - (d) Attempts should be made to bring a desired change in entrepreneurial attitude, outlook, skill and competency.
 - (e) Teach to prepare project report.
17. The objective of this last phase is to evaluate how far training programme has been successful. It involves : (a) Review of EDP, (b) Deciding on the product to be manufactured, (c) Arranging meeting with banker and financial institution, (d) Discuss common problem. Basically EDP is oriented to develop right-type of entrepreneurial behavior for starting and running the enterprise effectively.
18. Training programmes of EDII consist of
 - (a) Selection of potential entrepreneurs
 - (b) Providing achievement motivation training
 - (c) Selection of the product and preparation of project report
 - (d) Training for Business Management
 - (e) Support system and follow up
 - (f) Practical training and work experience.

19. Major activities of NIESBUD are
 - (a) To evolve effective training strategies
 - (b) To develop scientific selection procedure
 - (c) To develop training aids, tools and manuals
 - (d) To standardise model syllabi for training
 - (e) To conduct EDP which are not undertaken by other agencies
 - (f) To conduct workshops, seminar, conference etc.
 - (g) To conduct R & D in the EDP.
20. NISIET was established in 1960 Head Quarters at Hyderabad. The institution was incorporated with main objectives :
 - (a) Directing and coordinating syllabi for training of small entrepreneur
 - (b) Advising on managerial and technical aspects
 - (c) Organising seminars for small entrepreneurs and managers
 - (d) Providing services regarding research and documentation
21. The main thrust of these banks has been to identify potential Entrepreneurs in rural and backward areas. Punjab National Bank started entrepreneurial assistance programme, in West Bengal and Bihar. Similarly, Bank of India started entrepreneurial assistance programme in Punjab, Rajasthan, Himachal Pradesh, Jammu & Kashmir and Union Territory Chandigarh and Delhi.
22. The success rates of EDPs are low because those who have participated in these programmes have actually started their own enterprise. Again there are large number of bogus and forged institutions who conducted programme on commercial basis due to which the failure may be obvious. However, after completing training from such institutions the youths find no place in the market.
23. Mere training is not enough. However the emphasis should be given on selection of right type of entrepreneur, appropriate project, impartial and careful project appraisal, development of managerial and entrepreneurial skills and logistic support to help them in setting up their venture; then only the success may result.
24. Organiser of EDP wrongly believe that higher the number of entrepreneur joining EDP, the better is the EDP. In this number game it must be forgotten that quality is important rather than quantity. Only quality entrepreneur will ensure the success rate for entrepreneurial development.
25. Most of the EDPs are conducted for a duration of 4 to 6 weeks which is not sufficient even for imparting basic entrepreneurial training. Thus the duration of these programme should be increased at least 6 months so that prospective entrepreneurs are in a position of know various aspects of entrepreneurship in detail.

UNIT - IV**GROUP - C : LONG TYPE QUESTIONS**

1. Define entrepreneurial competency. Discuss major entrepreneurial competencies.
2. Why entrepreneurial competencies are required ?
3. Discuss that the different 'Threshold Competency' and 'Core Competency' are needed for entrepreneurs.
4. Discuss major Entrepreneurial Competencies.
5. Discuss the objectives of EDP.
6. Discuss the procedures of developing entrepreneurial competencies.
7. Mention the relevance of EDP in the development of entrepreneurs.
8. What are the problems in implementing Entrepreneurship Development Programme in India ?
9. What are different phases in Entrepreneurial Development Training Programme ?
10. Discuss the important problems related with implementation of EDPs.
11. Mention criteria to assess the effectiveness of EDPs in motivating the entrepreneurs.
12. How will you suggest to make EDP successful ?
13. How Entrepreneurship Development programme can be promoted through consultancy organisations ?
14. What are Institutional supports in providing technical consultancy ?

UNIT - IV

GROUP - C : ANSWER

1. A competency is an underlying characteristic of a person which leads to his/her effective or superior performance in any job. It is however, worth noting that there are certain types of competencies which are commonly required for all types of jobs irrespective of their type, nature and complexities involved. Such commonly required competencies are called "Threshold Competencies".

In addition to such 'threshold' competencies, certain types of jobs or tasks may also require the performer to have certain kinds of special or specialized or critical types of competencies for the performance of the tasks they are to perform which are called as core competency.

- (A) Threshold Competencies -
- (a) Initiative - Entrepreneurs should have ability to think ahead of others. They should initiate prompt action.
 - (b) Passion - Personal involvement and bonding with business may lead entrepreneurs towards success in termed as 'passion'.
 - (c) Persistency and consistency - continuous.
 - (d) Self confidence.
 - (e) Strong determination.
 - (f) Creative and innovative mindset : Creative entrepreneurs can easily identify the opportunities and can develop methods of performing their work.
 - (g) Adaptability with charges

(h) Ambitious aims

(i) Risk bearing capacity

(j) Team spirit

- (B) CORE COMPETENCIES - Entrepreneurs need to have job related basic knowledge, skill and motivational drives.

(a) Knowledge of Basics - Understanding and assimilation of fundamentals related to understanding of one's own area of specialization.

(b) Skill - Ability to use and apply knowledge in action in attaining a certain objective.

(c) Motivational Drive - Determination of a person to complete a particular task may be regarded as his motive.

In addition to the above, they also need to develop the following abilities.

(i) Ability to scan environment with the use of appropriate tools and techniques and identifying entrepreneurial opportunities.

(ii) Ability to prepare feasibility report and find project report.

(iii) Ability to mobilize resources.

(iv) Ability to manage and monitor operations.

(v) Ability to carry forward the ventures etc.

2. An entrepreneur faces number of problems not only at the starting of the business but also during the process of production and distribution. In order to solve those problems entrepreneurial competencies are to be

developed among the entrepreneurs. The need for developing competencies arises :

- (i) To handle technical feasibility such as technical know how, locational disadvantages, production process and project implementation.
 - (ii) To deal with poor quality, inappropriate product mix and poor capacity utilization.
 - (iii) To handle labour problem such as overstaffing, poor labour relation, strike, high labour.
 - (iv) To overcome various marketing problems such as defective pricing policy, inadequate channel of distribution, lack of market feedback and market research.
 - (v) To solve various financial management problems such as poor resource management, problems in obtaining finance, inadequate working capital etc.
 - (vi) To deal with different administrative problems faced by an entrepreneur such as poor organization structure, lack of management information system, communication.
 - (vii) To solve various infrastructural problems such as fault location, poor power supply, water connection, road and transport.
 - (viii) To know various policies of the government to take advantage of the government subsidy, incentive and exemptions.
 - (ix) To counter competition by taking some immediate policy measures.
 - (x) To diversify at right direction and that too at right time.
 - (xi) To employ modern methods of management as management deficiency is one of the main reasons for poor performance and sickness of small enterprises.
3. Entrepreneurs are required to perform a variety of difficult and complicated tasks at various stages for which they not only need to possess threshold competencies but also core competencies.

Threshold competency - such competency helps in developing -

 - (a) Self confidence
 - (b) Love and passion for the job
 - (c) Persistency and consistency
 - (d) Strong determination
 - (e) Innovative ideas
 - (f) Tolerance and patience

Core Competencies - Such competencies enable them in

 - (a) Correctly understanding and scanning the environment
 - (b) Exploring appropriate business opportunity
 - (c) Understand the risk factors
 - (d) Getting ideas translated into projects
 - (e) Manning and Monitoring business
 - (f) Ensuring quick growth and development
 4. Major competencies of Entrepreneurs
 - (a) Initiative - This is inner ... of individual to something. It is rightly said that 'well begin is half done'. Entrepreneur is basically innovator who carries and new combination to initiate and accelerate the process of economic development.
 - (b) Systematic planning - Entrepreneurs should develop relevant and realistic plans and ensure proper execution of the same in their pursuit of attaining their goals.

- (c) Self - confidence - They should have full faith in their knowledge, skill and competence and are not worried about factors uncertainties.
- (d) Effective strategist - Strategy may be with respect to facing future uncertainties or challenges posed by competitors.
- (e) Problem solving - A successful takes each problem as a challenge and puts in the best for finding out the most appropriate solution for the same.
- (f) Assertiveness - Entrepreneur should be assertive where he should believe in his abilities and ensures that others fall in line with his thinking aimed at promoting the interest of the organisation.
- (g) Persuasiveness - A successful entrepreneur through his sound argument and logical reasoning is in a position to convince others to do the work they way he wants them to do.
- (h) Looking for opportunity - An entrepreneur is always on the lookout or searching for an opportunity and is ready to exploit it in the best interest of his enterprise.
- (i) Persistence - An entrepreneur is never disheartened by failures. He follows try-try Again for overcoming the obstacles that come in the way of achieving goals.
- (j) Commitment - Top performers are prepared to make all sacrifices for honouring commitments they have made.
5. The primary objective of EDP has been to promote in the country a right kind of entrepreneurial culture and climate, so that, there would be a gradual change in the mind set of the youth in the choice of their future careers as job creator than job seekers. For achieving these primary objectives, the followings have been set as the actionable objectives of EDP.
- (a) Creation of mass awareness and interest about the charm of being entrepreneur.
- (b) Motivating and alluring the youths with all possible incentives to join in the EDP programme in large numbers.
- (c) Familiarizing the prospective entrepreneurs with industrial environment and industrial policy and programmes of the country including special packages of subsidies, incentives and concessions available under different schemes and programmes for small business.
- (d) Educating the prospective entrepreneur about the tools and techniques needed for scanning the environments, identified of business opportunities, selection of products, formulation of project reports and budgets.
- (e) Making them familiar with the process and procedures of setting up of enterprises, importing them the technical skill and knowhow for the day to day handling of operational facilities of the enterprises.
- (f) Giving them required inputs for the successful management and monitoring of the business activities.
- (g) Making them familiar with the bases of financial and human resource management.
- (h) Giving them necessary exposures on marketing process, techniques including customer relationship management.
- (i) Making them aware of their social responsibility.
- Dr. M. M. P. Akhouri, one of the former Executive Directors of NIESBUD (National Institute for Entrepreneurship and Small Business Development) has rightly capsule the various objectives of EDP under four broad categories of objectives or role as :

- (a) Stimulating Objectives - Activities meant for providing encouragement for the growth of entrepreneurship.
 - (b) Supporting objectives - All possible support for facilitating speedy growth of entrepreneurs.
 - (c) Sustaining objectives - Activities for ensuring the continuity of the programme.
 - (d) Socio-economic objectives - making entrepreneurs feel as effective partners in the socio-economic uplift of the people in general.
6. In order to develop entrepreneurial competencies the following procedures or methods are adopted.
- (a) Acquiring knowledge and understanding - Development of entrepreneurial competencies require proper knowledge which must be understood in the light of their meaning, importance and relevance.
 - (b) Recognizing competency - Recognizing the competency helps an entrepreneur to know the requirement for performing a given task in a specific manner.
 - (c) Self-Assessment - Once a particular competency is understood and recognized, the next step is to identify where one stands with respect to a given competency.
 - (d) Application in real life situation - Next step is application of the same on a continuous basis in various activities.
 - (e) Comparison of competencies - To compare the individual competencies developed through regular practice with competencies required for the desired performance.
 - (f) Feed back - Process of introspection of financing out how one's new behavior has been rewarding.
7. The Nation has been giving much more importance in the development of the entrepreneurs for the economic development of entrepreneur and country as a whole. The following are the reasons which explain why the nation needs entrepreneurship development programme to be aggressively expanded covering as much of people and areas as possible.
- (i) Avoiding Mismatches - To avoid mismatch between demand for and supply of entrepreneurial manpower, such programmes have become an indispensable need of time. Particularly in MSME sector more demand for entrepreneurs are required.
 - (ii) Employment Generation - Training Youths as entrepreneurs and inducing them with all possible back up to set up their own ventures they would not only be self employed but also would but also would facilitate creation of more employment.
 - (iii) Optimum utilization of available resource - local available resources can be between utilized by the entrepreneurs to create a healthy base for economic development and enhancing the process of industrialization.
 - (iv) Balanced Regional Growth : In the process of industrialisation in the underdeveloped areas the concentration of economic power is reduced.
 - (v) Increased per capita income
 - (vi) Improvement in standard of living
 - (vii) Boosting the earning of foreign exchange
 - (viii) Removal of Industrial Slums
 - (ix) Minimising social tension

- (x) Prevention of Migration from rural area - Entrepreneur setting up business units in rural areas, employment opportunities for the rural people will be expanded so that they would be absorbed in jobs in their own areas. This will prevent migration.
- (xi) Accelerating economic growth.
8. The following are various problems faced at the time of implementing EDP in India.
- (i) Absence of National Policy - In India, there are no specific policies framed by the central government for entrepreneurship development and its promotion.
- (ii) Issues during pre-training phases - Identification of business opportunities, finding and locating target group, selection of trainee and trainers etc. are basic problems faced at entrepreneurial pre-training phase.
- (iii) Wrongly assessment of skill of trainees - Sometimes, agencies providing EDP wrongly assess the skills and capabilities of the educated youth to become entrepreneur.
- (iv) Limited duration of EDPS - Period of weeks may be short for developing entrepreneurial skills in the participants i.e. potential entrepreneurs.
- (v) Lack of infrastructural facilities - EDP organized in under developed areas face various problems due to non-availability of adequate infrastructural facilities like training rooms, boarding and lodging for guest speakers etc.
- (vi) No standardized procedure - EDPs are not maintaining standardized procedure and course input.
- (vii) No standard selection process - In EDP, no uniform processes are adopted by agencies in the process of selecting the prospective entrepreneurs.
- (viii) Shortages of competent Trainers - EDPs provided by several organization may get affected by the absence of qualified professional and experienced trainers.
- (ix) Inadequate support of financial institutions : It is not always possible and easy for an entrepreneur to give collateral security against loan taken from the bank.
9. There are 3 different stages involved in the process of EDP.
- (A) Pre-training phase. This involves various activities and preparations to launch the required training programme for the prospective entrepreneurs. This phase of EDP includes activities :
- (a) Preparing the course curriculum and time table.
- (b) Selecting the place for providing training.
- (c) Finalizing the list of Guest Faculty for the programme from Education, Industry and Banks.
- (d) Making all arrangement for publicity and campaigning for the programme.
- (e) Formation of a selection committee to select trainees from the programme.
- (f) Selection of prospective entrepreneur for the training programme.
- (g) Taking required steps for the inaugural function of programme.

- (B) Training Phase - Main objective of training programme is to allure and motivate the youth to take up entrepreneurship as a career and to develop in them the required skill or competency.
- The training phase of EDP includes :
- Making all required facilities ready.
 - Ensuring classes held as per routine.
 - Making available all training aids.
 - Ensuring discipline among the trainees.
 - Maintaining all required documents and records.
 - Arranging all practical training, field visits.
 - Arranging group discussions and other close interactive sessions.
- (C) Follow-up phase - This is post-training phase where it is to assess the effectiveness of the programme in helping the trainees to develop the entrepreneurial competencies which will help them to start up new project. It consists of reviewing of work in the following respects :
- Review of pre-training phase.
 - Review of effectiveness of training programme undertaken.
 - Review of post-training programme to evaluate the cost effectiveness of the current programme.
 - Review of follow on action by the trainees.
10. The important problems related with implementation of EDPs are listed as follows :
- Poor motivation - The motivation provided by trainer is not found up to the mark in motivating the trainees to start their own enterprises.
 - Lack in commitment - Organisations responsible for conducting the EDPs lack in commitment and sincerity in conducting the EDPs.
 - Non-conducive Environment - One of the important problems faced in the EDPs is non-conducive environment.
 - Non-supporting Agencies - The non co-operative attitude of the supporting agencies like banks and financial institutions also serves as block in the success of EDPs.
 - Selection of Wrong Trainees - Another important problems faced in the EDPs is selection of wrong trainees. This also leads to low success rate of EDPs.
11. The behavioural scientists' used the following criteria to assess the effectiveness of EDPs in motivating the entrepreneurs.
- Activity level of the respondents
 - New enterprise established
 - Total investment made
 - Investment in fixed assets made
 - Number of people employed
 - Number of Jobs created
 - Increase in profit
 - Increase in sales
 - Quality of product/service improved
 - Quicker repayment of loans
- Another method of evaluating the EDPs is to assess their effectiveness in developing 'need for achievement' among the entrepreneurs. This is also termed as "the qualitative evaluation" of EDPs.

12. In order to make EDP successful the following suggestions are made.
- (a) Publicity - Before organizing an EDP, proper advertisement through local news papers, loud speakers and leaflets should be made, so that the interested people can know the date, time and venue of such programmes.
 - (b) Selection of trainees - Trainees should be selected after examining their educational background, attitude and aptitude necessary for carrying a new enterprise.
 - (c) Resource persons - Knowledge, competent and qualified resource persons should be employed to provide training to the potential entrepreneurs.
 - (d) Duration of EDP - Motivation and training take time. It is a lengthy process. Thus, the duration of EDPs should be increased to at least six months.
 - (e) Organising part time programmes - In order to provide scope to those who are working or pursuing studies elsewhere, part time EDPs should be organized at weekend or in the evening so that more people can take advantage of such programmes.
 - (f) Designing economically viable small projects - The organizers of EDP must develop and design viable projects taking into account the local raw materials, manpower and other inputs necessary to start a new business.
 - (g) Motivation - Motivating the raw people into prospective entrepreneur is the main task of EDPs. It should motivate them through education, case studies and training.
 - (h) Providing support activities - Support activities include registration, license, management consultancy, procurement of raw material and marketing assistance. Source and procedure of these support activities must be explained to trainees. EDP should also be undertaken for existing business which aim for expansion and diversification.
13. A consulting organization is an organization that offers specialized expertise to its clients, which may be business or individuals. Different consulting organizations offer different types of advice. There are engineering consultancy organisations which specialize in rendering advice on engineering details. In the non-engineering fields too, consultancy organizations are numerous. There are many types of organization and their focus is mainly on management.
- Role - consultancy organisations help by assessing weakness and recommending solution. Provision of appropriate and inexpensive consultancy services to small and new entrepreneur has always been a prerequisite for achieving wider geographical dispersal of small and medium enterprise. Small and new entrepreneurs need assistance and advice because these, unlike the big industrialists, cannot afford the financial cost of their own staff of qualified specialists.
- Consultants play important roles. Some of these are :
- (a) Bringing new knowledge
 - (b) Information carriers
 - (c) Production Assistance in the area
 - (i) Product Research
 - (ii) Equipment and Process Research

- (d) Technical Assistance
- (e) Management Assistance
- (f) Marketing Assistance
- (g) Assistance in Revival of Sick Units
- (h) Assistance in Project Management - Manner of providing assistance in the areas are :
- (i) Carrying out Industrial Potential Surveys, identification of project ideas, project formulation.
 - (ii) Evaluation of projects referred to them.
 - (iii) Preparation of project profiles, feasibility studies.
 - (iv) Preparation of project report, where called upon.
 - (v) Render turn-key services in the project implementation.
- (i) Changing role of consultant. Traditionally a consultant was viewed as a problem solver. If a problem posed to him by the client then his role was to :
- (i) To find a solution
 - (ii) Then make a report to the client
- But in competitive world and changing marketing conditions the role of consultant in modern time has changed. Consultant's should help clients to use effective tools and techniques : to find their own unique solutions to their own special problems which is more important aspects.
- (j) Consultancy services to small and new entrepreneurs at a subsidized rate.

14. Technical Consultancy Organisations (TCOs) were created for facilitating technical consultancy for industrial projects. These organizations were established by the All India Financial Institution (IDBI, ICICI, IFCI etc.) in collaboration the State Level Financial Development Organizations and Commercial Banks.

Over the Years, the TCOs have transformed from being consultancy firm handling project reports, market surveys etc. to multifunctional, multidisciplinary organization offering a wide range of service to the industrial and infrastructure s sector, some TCOs such as KITCO (Kerala Industrial and Technical Consultancy Organisation) have diversified to offer consultancy services for implementation of projects under one roof from "Concept to Commissioning".

The success of KITCO experiment later promoted the Central Government to set up similar TCOs in many other state also. That was how APITCO (Andhra Pradesh), TNITCO (Tamil Nadu), MITCO (Maharashtra), PITCOC (Punjab), GTCO (Gujurat) etc. came into being. There are in all 18 state level TCOS across in India.

In Odisha IPICOL (Industrial Promotion and Investment Corporation of Odisha Limited) was set up in 1973 to provide low cost consultancy services from time to time starting from conceptualisation to Commissioning of the plant.
