

CHAPTER - 3

ENTREPRENEURIAL JOURNEY

TEXTBOOK QUESTIONS SOLVED

Question 1. Answer the following in about 15 words:

- (i) List the fields in which 'Trailblazer' has business strengths.
- (ii) List the fields in which 'Motivator' has business strengths.
- (iii) List the fields in which 'Collaborator' has business strengths.
- (iv) List the fields in which 'Diplomat' has business strengths.

Answer: (i) The trailblazers business strengths include the medical, technology, finance, legal and consulting fields.

(ii) Motivators do well in business with partners, or in a business that involves others.

(iii) Collaborators are good at running customer service-oriented or retail businesses, or any business where being convincing is an important aspect of getting the job done, and done right.

(iv) The diplomats excel in retail or other people-oriented environments. Both outgoing and empathetic, they tend to be well-liked, but they sometimes have a hard time asserting them self and holding others accountable.

Question 2. Answer the following in about 50 words:

- (i) Describe the characteristics of a 'go-getter' type of personality.
- (ii) What is brainstorming?
- (iii) What do you mean by 'Environment Scanning'?
- (iv) What are focus groups?
- (v) Explain 'feasibility study'.
- (vi) What do you think is the reason for failure of business plan execution?

Answer: (i) Go-getters

(a) have dominance and sociability,

- (b) are very driven and independent,
 - (c) are competitive,
 - (d) have great deal of initiative,
 - (e) have sense of urgency to get things done,
 - (f) are good leaders and good managers,
 - (g) work well in ambitious and unfamiliar environments.
- (ii) Brainstorming is a way of generating idea in which a group of persons sit together and generate a number of business ideas by innovating alternative ways of meeting the needs and solving problems.
- (iii) Environment scanning means the screening of large amounts of information to detect emerging changes or trends. Information is scanned from news magazines, reviews, government and consumer publications, trade publications, commercials, etc. Lot of effort is put in but in the end it is energy well spent.
- (iv) Focus groups is a way of generating idea in which the groups of individuals provide information about proposed commodity (good or service) in a structured setting. Group provides an excellent way to generate new ideas and to screen proposed ideas and concepts.
- (v) **Following are the types of feasibility study:**
1. **Market Feasibility:** This involves a complete description of the industry, current situation of the market, anticipated future of the product, competition, sales projections, etc.
 2. **Technical Feasibility:** This involves the issues like how to deliver a product or service, transportation, location of the enterprise, technological requirement, etc.
 3. **Financial Feasibility:** It involves the issues like requirement of the start-up capital, seed capital, sources of capital, returns on investment, etc.
 4. **Organisational Feasibility:** It involves the legal and corporate structure of the business, size of the venture, legal formalities and requirements, etc.
- (vi) **Many plans fail because of following reasons:**
- (a) Companies often fail to deliver on their promises.
 - (b) The strategy followed was wrong.
 - (c) Strategies not executed well.
 - (d) The failure to execute the plan.
 - (e) Ineffective linkage of strategy, people, and work processes.

Question 3. Answer the following in about 75 words:

(i) What do you mean by 'Opportunity Assessment'?

(ii) Why are feasibility studies more important?

(iii) Why do you think the role of family in an entrepreneur's life is important?

Answer: (i) Opportunity Assessment includes in-depth review of business opportunity, market research, intellectual property analysis, opportunity development timing, legal liability issues, applications of the opportunity, barriers to entry, industry trends, growth potential, market positioning, competitive analysis, financial projections and pricing, resource requirement analysis and licensing, etc.

(ii) Following are the main features of feasibility study:

- (a) **Process:** A feasibility study is a process in which an idea is studied to see whether it will work and if going to work then how it will work.
- (b) **Comprehensive:** A feasibility study looks at the total structure, needs, requirements, operations of a business, etc.
- (c) **Specific:** Feasibility study looks at one issue, i.e. specific task, program, idea, or problem.
- (d) **Pros and cons:** A feasibility study looks at both sides, i.e. merits and demerits. It also takes into consideration potential problems.
- (e) **Foundation:** A feasibility study serves as a foundation for developing a successful business plan.
- (f) **Essential requirement for loan:** Lending financial institution require the feasibility study

considering the proposal for loan by the entrepreneur.

(iii) (a) What family and friends think or opine about entrepreneurship has a crucial role to play.

(b) Besides, the view of the family, their support and the society with regard to failure is also a very important factor.

(c) Family's support is very essential as the entrepreneur need to borrow initial finances from the family and friends.

(d) The family's attitude towards education and other careers in fields like medicine, engineering, etc. are also likely to dominate the youth's mindset towards entrepreneurship.

(e) A prospective bride-groom can also become a deciding factor, promoting or inhibiting entrepreneurship.

Question 4. Answer the following in about 150 words:

(i) According to Dell, what was the final outcome of the study about women entrepreneurs.

(ii) Explain in detail any four entrepreneurial types.

(iii) Explain any four main sources of ideas.

(iv) Explain the types of feasibility study.

(v) Differentiate between feasibility study and business plan.

(vi) What purposes does a business plan serve?

Answer: (i) According to a new study commissioned by Dell in January 2012, the ideal country to be where a woman starting a business in 2012 could well be India. Women entrepreneurs in India anticipate, an average of 90 per cent over the next five years.

(ii) **Following are the details of four types of entrepreneurs:**

(a) **Trailblazers: Trailblazers are:**

1. very competitive
2. ambitious
3. goal-oriented
4. tend to be aggressive
5. sometimes take a steamroller approach
6. restless and energetic
7. a strong drive
8. sense of urgency
9. logical, analytical, practical and realistic
10. calculated risk takers

Trailblazers tend to have two speeds: fast and faster. They aren't happy unless they are in charge. Trailblazers tend to take their decisions on facts rather than feelings. The trailblazers business strengths include the medical, technology, finance, legal and consulting fields.

Trailblazers prefer being the driving force of a business.

(b) **Go-getters**

1. have dominance and sociability
 2. are very driven and independent
 3. are competitive
 4. have a great deal of initiative
 5. have sense of urgency to get things done
 6. are good leaders and good managers
 7. work well in ambitious and unfamiliar environments
- Go-getters represent the largest percentage of the founders.

Go-getters show a great deal of initiative, coupled with a compelling sense of urgency to get things done. Go-getters are typically good leaders and good managers, excelling at motivating themselves and those around them.

The go-getter's business strengths could include doing well in retail, but may prefer being the outside rainmaker.

They work well in ambitious and unfamiliar environments. They can invest in, buy or start a

business that's totally new to you and still make a success of it. They don't need to be an expert in the field to start the business, they are good collaborators and can learn as they go.

(c) Managers. The features of managers are:

1. dominant and independent
2. very goal-oriented
3. quite analytical
4. focusing more on processes and outcomes than on people
5. straightforward style of communication
6. have a higher-than-average level of relaxation
7. loyal, sometimes to a fault, as they consider their employees to be an extension of their family.

The manager's business strengths are:

1. doing things on their own
2. they excel at competitive selling because they enjoy overcoming rejection and achieving goals.
3. they enjoy working by themselves. Managers excel at competitive selling because they enjoy overcoming rejection and achieving goals despite obstacles.

(d) Motivators. Motivators have following features: They:

1. have a high level of sociability.
2. have the ability to work well under pressure and in autonomous situations.
3. are great consensus builder and a good collaborator
4. **are a driver of change**

The motivator's business strengths is:

1. Retail can be their game – or any environment where people are a large part of the equation.
2. They do well in any business that involves people, as long as it's a somewhat non-confrontational environment.
3. They can be convincing and avoid most confrontations by creating a strong emotional argument.
4. They do well in the toughest of customer service roles, as they are able to see both sides of the argument.

Motivators tend to deal with the negative arguments by using the three F's—feel, felt and found—saying, —I understand how you are feeling. In fact, I have felt the same way, but when I learned, what I found was (again, insert your point).

Motivators excel at leadership or sales.

Motivators do well in business with partners, or in a business that involves others.

(iii) The different structured approaches adopted to generate ideas are:

1. **Environment Scanning:** It means the screening of large amounts of information to detect emerging changes or trends. Information is scanned from news magazines, reviews, government and consumer publications, trade publications, commercials, etc. Lots of effort is put in but the end it is energy well spent.

2. **Creativity and Creative Problem Solving:** Creativity is the ability to combine ideas in a unique way or to make unusual associations between the ideas. It involves cross thinking by seeing new angles, connections and approaches. The role of creativity and creative problem solving for generating ideas is that a number of specific creative approaches can be used. For example attribute listing, free association, etc.

3. **Brainstorming:** Here a group of persons sit together and generate a number of business ideas by innovating alternative ways of meeting the needs and solving problems. A number of ideas are discussed and finally a concrete idea is the end result.

4. **Focus Groups:** In this way generating idea, the groups of individuals provide information about proposed commodity (good or service) in a structured setting. Here a moderator focuses the group discussion or issues are being examined. Such group can provide an excellent way to generate new ideas and to screen proposed ideas and concepts.

5. **Market Research:** This is a method of gathering information about products/ services that already exist in the market. Demand supply position for a particular product or service is studied in the market and based on it new ideas for products and services are obtained.

(iv) **Following are the types of feasibility study:**

1. **Market Feasibility:** This involves a complete description of the industry, current situation of the market, anticipated future of the product, competition, sales projections, etc.

2. **Technical Feasibility:** This involves the issues like how to deliver a product or service, transportation, location of the enterprise, technological requirement, etc.

3. **Financial Feasibility:** It involves the issues like requirement of the start-up capital, seed capital, sources of capital, returns on investment, etc.

4. **Organisational Feasibility:** It involves the legal and corporate structure of the business, size of the venture, legal formalities and requirements, etc.

(v) **Following are the points of difference between Feasibility Study and Business plan:**

(a) A feasibility study can be defined as a controlled process for identifying problems and opportunities, determining objectives, describing situations, defining successful outcomes, and assessing the range of costs and benefits associated with several alternatives for solving a problem. On the other hand, a Business Plan is a written summary of various elements involved in starting a new enterprise like arrangement of resources, mobilizing resources, etc.

ib) The feasibility study can be completed prior to the business plan.

(c) The feasibility study helps determine whether an idea or business is a viable or not, whereas the business plan is developed after the business opportunity is created.

(d) A feasibility study is carried out to know if the business venture is worth the time, effort and resources while a business plan is made up of mostly tactics and strategies to be implemented in order to grow the business.

(e) A feasibility study can be converted to a business plan.

(f) The business plan is studied in terms of growth and sustainability whereas the feasibility study studied in terms of idea viability.

(vi) **A business plan serves the following purposes:**

(a) **Blue print:** It provides a blueprint of actions to be taken by the firm in future.

(b) **Guidance:** It guides the entrepreneur in raising and mobilising the factors of production.

(c) **Organisation:** It serves as a guide to the entrepreneur in organizing and directing the activities of the entrepreneurial venture.

(d) **Progress:** It helps in measuring the progress of the venture at various stages

(e) **Communication:** It communicates to investors, lenders, suppliers, etc. initiating the programmes of the business.

Question 5. Answer the following in about 250 words:

(i) **Explain in detail the elements of business plan.**

(ii) **Although there is no singular process to manage the execution of a business plan, there are basic processes and fundamentals to be followed. Enlist them.**

(iii) **Explain in detail any six problems faced by women entrepreneurs.**

Answer: (i) **Proposed Business Plan has the following parts:**

1. General Introduction

- Name and address of business
- Name and address of entrepreneur
- Stakeholder of business
- Nature of business and customers

2. Business Venture

- Product(s) to be offered

- Service(s) to be offered
- Scale of business operation
- Type of technology used
- Type of skilled personnel required

3.Organized Plan

- Form of ownership, sole proprietorship, partnership or joint stock company
- Identification of business, associated partners/members, etc.
- Administrative structure
- Identification of management team

4.Production Plan

- Details of manufacturing process
- Physical infrastructure required
- Types of plant and machinery
- Raw materials to be used
- Requirement of power, water, etc.

5.Human Resource Plan

- Categories of human resources or staff required
- Human resource already identified
- Human resource required to be procured
- Time frame for procurement of human resource

6.Marketing Plan

- Products and services offered
- Pricing policies
- Promotional strategies
- Logistics for distribution
- Channels of distribution

7.Financial Plan

- Breakeven analysis
- Fixed capital requirements
- Working capital requirement
- Sources of capital
- Schedule of procurement of capital
- Schedule of procurement of asset
- Cash flow projection

8.Miscellaneous/Appendix

- Market research report
- Contract with vendors
- Contract with financial institutions
- Type of business risk
- Contingency plan

(ii) **Following processes and fundamentals to be followed for managing the execution of a business plan:**

- **Focus on Core competencies:** Focusing on the core competencies, specific quantifiable goals to support the strategy must be drafted and formulated.
- **Evaluation:** The organization must be evaluated. It must ensure that the right people with the right skills are in the right jobs. It requires reallocation of human resources if required. Right number of employees in the various departments are to be appointed.
- **Identification:** Identification of the following is a must—the key initiatives, broad actions that must be accomplished, transitional issues, or the gaps, between where you are today and where you plan to be. Every employee must understand his/ her individual role in accomplishing his/her aspect of the plan.
- **Budget:** Budget is to be prepared to support the plan.
- **Communicate well:** There is to be an effective way of giving the message out to the entire organization. Develop compensation and reward systems to support the future vision of the organization.
- **Review process:** Establishing a review process because the markets, customers, competitors, government regulations, economy, etc. evolve; some priorities, and possibly some goals, may change.

(iii) **The following are some of the limitations faced by women entrepreneurs:**

- **Patriarchal society:** The gender bias exists in society and is due to the patriarchal attitude.
- **Lack of opportunities:** In some areas education still has not reached to every female, the lack of education is thus a barrier.
- **Enabling technologies for women:** There is lack of more opportunities regarding new methods of production, marketing and other modern technologies for women.
- **Social barriers:** In rural areas, more social barriers are faced. This is due to lack of education and positive legislation.
- **Attitude of creditors towards women:** Women entrepreneurs suffer while raising and meeting the financial needs of their business. The society was slightly biased in their attitude towards women entrepreneurs.
- **Organised sector:** The skilled women work more in the un-organised sector and hence does not get her due.

MORE QUESTIONS SOLVED

I. Very Short Answer Type Questions [1 Marks]

Question 1. Does personality matter in becoming a successful entrepreneur?

Answer: Yes, successful entrepreneurs share a number of common features and these features are the predominant indicators of their success.

Question 2. What are the benefits of choosing ventures that are in sync with the true personalities of the entrepreneur?

Answer: Such entrepreneurs tend to experience the greatest level of success and fulfilment.

Question 3. Who has the potential to grow a successful business?

Answer: Every person, has the potential to grow a successful business.

Question 4. What does one need to determine for a successful entrepreneur?

Answer: One has to determine the right opportunity for becoming a successful entrepreneur.

Question 5. What is needed to bridge the gap between who we are and what the opportunity requires?

Answer: Self-awareness.

Question 6. Name the types of entrepreneurs.

Answer: Entrepreneurs can be divided into seven types:

1. Trailblazers
2. Go-getters
3. Managers
4. Motivators
5. Authoritarians
6. Collaborators
7. Diplomats

Question 7. What are the two speeds of Trailblazers?

Answer: Trailblazers tend to have two speeds: fast and faster.

Question 8. When are Trailblazers happy?

Answer: Trailblazers aren't happy unless they are in charge.

Question 9. What the Trailblazers tend to base their decisions on?

Answer: Trailblazers tend to take their decisions on facts rather than feelings.

Question 10. What does the trailblazer's business strengths include?

Answer: The trailblazers business strengths include the medical, technology, finance, legal and consulting fields.

Question 11. Why is a Trailblazer able to focus easily on marketing and operations?

Answer: Strong strategic thinking power enables the Trailblazer to focus easily on marketing and operations.

Question 12. What is a challenge faced by the Trailblazers?

Answer: Their challenge faced is to be working with people as they are usually better leaders than managers.

Question 13. What does Trailblazers prefer?

Answer: Trailblazers prefer being the driving force of a business.

Question 14. What tasks are not normally taken by the Trailblazers?

Answer: Trailblazers wouldn't buy a franchise or distributorship.

Question 15. When are Trailblazers highly innovative?

Answer: They are highly innovative, especially when it comes to taking an idea to the next level.

Question 16. What makes the largest percentage of the founders?

Answer: Go-getters represent the largest percentage of the founders.

Question 17. What does Go-getter's business strength?

Answer: The Go-getter's business strengths could include doing well in retail, but may prefer being the outside rainmaker.

Question 18. Managers excel at competitive selling. Why?

Answer: Managers excel at competitive selling because they enjoy overcoming rejection and achieving goals despite obstacles.

Question 19. How do the Motivators tend to deal with the most negative arguments?

Answer: Motivators tend to deal with the negative arguments by using the three F's—feel, felt and found—saying,—I understand how you are feeling. In fact, I have felt the same way, but when I learned, what I found was (again, insert your point).

Question 20. Motivators excel what?

Answer: Motivators excel at leadership or sales.

Question 21. Motivators do well in which business?

Or

List the fields in which 'Motivator' has business strengths.

Answer: Motivators do well in business with partners, or in a business that involves others.

Question 22. What are motivators good at?

Answer: Motivators are good at nurturing relationships and do best in a business that involves keeping clients for the long term.

Question 23. In what roles the Motivators do well?

Answer: Motivators do well in the toughest of customer service roles, as they are able to see both sides of the coin.

Question 24. Give the examples of businesses that fit the authoritarians.

Answer: Dry cleaning stores, liquor or convenience stores where the need for the product or service is strong.

Question 25. What does an Authoritarian see his customer as?

Answer: An Authoritarian see his customer as an extension of his family.

Question 26. Why do Authoritarian dislike prospecting?

Answer: Authoritarian dislike prospecting as they are accommodating.

Question 27. Till how long are the Authoritarian successful?

Answer: Authoritarian can be very successful as long as the organization is well-supported with advertising and marketing.

Question 28. What is the difference between Collaborator and Authoritarian?

Answer: The difference between Collaborator and Authoritarian is that they have a personality gift called sociability.

Question 29. What characteristics allows Collaborator and Authoritarian to use their influence?

Answer: Sociability allows to use their influence to get what they want.

Question 30. Collaborators are good at what?

Answer: Collaborators are good at running customer service-oriented or retail businesses, or

any business where being convincing is an important aspect of getting the job done right,

Question 31. When does the collaborators do well?

Answer: Collaborators do well within structured environments where people are an element of success.

Question 32. Collaborators can be great salesman. Why?

Answer: Collaborators can be great salesmen in a warm selling market because they use their sociability to sell their expertise.

Question 33. What is the meaning of 'warm selling'?

Answer: 'Warm selling' means that the collaborators bring the prospect to them, often through a letter or advertisement enticing the prospect to contact them for more information about their product or service.

Question 34. What does 'cold selling' mean?

Answer: 'Cold selling' is the one that involves picking up the phone and dialling for dollars, or hitting the streets looking for prospects door to door.

Question 35. Collaborators are not comfortable with what?

Answer: Collaborators aren't comfortable with cold calling or pitching new ideas as they like to follow prescribed rules and guidelines.

Question 36. Why the Diplomats work at their full capacity?

Answer: Diplomats work at full capacity because of their compliance and their need to do things right, their work at their full capacity.

Question 37. Diplomats can experience difficulty in what?

Answer: Diplomats can experience difficulty in delegating details, but do a great job when they can do the work themselves.

Question 38. What are the two important elements to success of Diplomats?

Answer: Sociability and drive in their personalities are two important elements to success.

Question 39. What do you mean by Generating ideas?

Answer: Generating ideas is an innovative and creative process. In the process of generating ideas, ideas come from, ways to generate ideas and the role of structured approach, analysis and intuition.

Question 40. What is Creativity?

Answer: Creativity is the ability to combine ideas in a unique way or to make unusual associations between the ideas.

Question 41. What is attribute listing?

Answer: Attribute listing is a method in which entrepreneur develops a new idea by looking at the positive or negative features of a product or a service.

Question 42. What do you mean by free association?

Answer: Free association is a process whereby an entrepreneur develops a new idea through a chain of word associations, etc.

Question 43. What is intuition?

Answer: Intuition is a cognitive process by which subconsciously decisions are made on the basis of accumulated or cumulative knowledge and experiences.

Question 44. What is a Business Plan?

Answer: A Business Plan is a written summary of various elements involved in starting a new enterprise like arrangement of resources, mobilizing resources, etc.

Question 45. What is the key to a successful execution?

Answer: The key to a successful execution is alignment.

Question 46. What is the ray of hope with respect to the women entrepreneurs?

Answer: The ray of hope is that rate at which women entrepreneurs are growing is slowly increasing.

II. Short Answer Type Questions [2/3 Marks]

Question 1. What is Nandita's advice to new entrepreneurs?

Answer: Nandita's advice to new entrepreneurs is

1. Don't give up. Keep at it to succeed.
2. Pay the creditors, suppliers and vendors on time. It builds credibility.
3. Treat employees like family. If employees are happy, one's business will be successful.

Question 2. What are Go-Getters excellent in?

Answer: Go-Getters show a great deal of initiative, coupled with a compelling sense of urgency to get things done. Go-Getters are typically good leaders and good managers, excelling at motivating themselves and those around them.

Question 3. In which environment the Go-getters work well?

Answer: They work well in ambitious and unfamiliar environments. They can invest in, buy or start a business that's totally new to you and still make a success of it. They don't need to be an expert in the field to start the business, they are good collaborators and can learn as they go.

Question 4. What are manager's business strength?

Answer: The manager's business strengths are:

- Doing things on their own.
- They excel at competitive selling because they enjoy overcoming rejection and achieving goals.
- They enjoy working by themselves.

Question 5. Give the characteristics of Motivators.

Answer: Motivators have following features: They—

- have a high level of sociability.
- have the ability to work well under pressure and in autonomous situations.
- are great consensus builder and a good collaborator.
- are a driver of change.

Question 6. What are authoritarians' business strength?

Answer: The authoritarians' business strengths are:

1. They often refer to themselves as—accidental entrepreneurs, because they may end up running a business that was never part of their original plan.
2. They're best served by going into a business that embraces their level of expertise or allows them to develop a new level of expertise.

Question 7. What are the main features of Collaborators?

Answer: The main features of collaborators are to:

- relish the people's side of business.
- benefit from having a partner who is more aggressive about developing new business.
- follow prescribed rules and guidelines.
- are good at running customer service-oriented or retail businesses.

Question 8. Diplomats excel in which business and why?

Answer: The diplomats excel in retail or other people-oriented environments. Both outgoing and empathetic, they tend to be well-liked, but they sometimes have a hard time asserting themselves and holding others accountable.

Question 9. What does diplomats need to successfully leading a company?

Answer: To lead a company successfully, diplomats need—

- to hire stronger, more result-oriented personalities,
- to be sure that deadlines are met,
- commitments be fulfilled and staff members follow them through doing duties.

Question 10. What is the role of intuition in generating ideas?

Answer: Intuition is a cognitive process by which subconsciously decisions are made on the basis of accumulated or cumulative knowledge and experiences. Intuition can be a powerful source of new ideas if you learn to use it. It provides an idea that is based on the idea of coming out and taking a viable form.

Question 11. What is the Feasibility Study?

Answer: According to Centre for Entrepreneurship at University of Rochester:

"A feasibility study can be defined as a controlled process for identifying problems and opportunities, determining objectives, describing situations, defining successful outcomes, and assessing the range of costs and benefits associated with several alternatives for solving a problem."

Question 12. What does Opportunity Assessment include?

Answer: Opportunity Assessment include in-depth review of business opportunity, market research, intellectual property analysis, opportunity development timing, legal liability issues, applications of the opportunity, barriers to entry, industry trends, growth potential, market positioning, competitive analysis, financial projections and pricing, resource requirement analysis and licensing, etc.

Question 13. Do all business units need to prepare a business plan and will the plan vary depending on the size of the unit?

Answer: Not necessarily that all business units require a business plan. But the plan size will vary from one unit to another depending on the nature of the enterprise. For example, for a new manufacturer of computer, would definitely need a comprehensive business plan, whilst for an entrepreneur who will be opening a small stationery shop would not need a detailed business plan.

Question 14. What does a Business plan must define?

Answer: The plan must define the objectives, strategies, customer scenario, market segments, products and services to be offered, sales forecast and steps required to attain the objectives.

Question 15. What does a Business plan must describe?

Answer: The plan should describe distribution systems, promotional activities and pricing decisions.

III. Short Answer Type Questions [4 Marks]

Question 1. What are the motivator's business strength?

Answer: The motivator's business strength is:

- Retail can be their game or any environment where people are a large part of the equation.
- They do well in any business that involves people, as long as it's a somewhat non-confrontational environment.
- They can be convincing and avoid most confrontations by creating a strong emotional argument.
- They do well in the toughest of customer service roles, as they are able to see both sides of the argument.

Question 2. Describe the importance of evaluating ideas.

Answer: Idea evaluation is an important step in researching the venture's feasibility because of the following reasons:

1. **Helps in deciding what is important:** Idea evaluation forces the entrepreneur to decide what is important to the successful venture, which the entrepreneur is undertaking.
2. **Helps to identify strengths and weaknesses of the idea:** By evaluating the strengths and weakness of each idea, the entrepreneur identifies and assesses the strong and weak points. By this one gets information which helps to make a better decision.
3. **Helps to make the best use of limited resources:** It provides an idea about limited resources at disposal. Mostly entrepreneurs have limited resources in the form of money, time, people, etc. They can make sure that their choices make the best use of the available limited resources.
4. **Helps to minimize risks while maximizing return:** Every entrepreneur like to have the least uncertainty or risk while getting the return from entrepreneurial decisions and actions. An entrepreneur puts in the effort to evaluate potential of the venture undertaken for maximizing the possible returns.

Question 3. What do you think is the reason for failure of business plan execution?

Or

Why many plans fail?

Answer: Many plans fail because of the following reasons:

- Companies often fail to deliver as per their promises.
- The strategy followed was wrong.
- Strategies are not executed well.
- The failure to execute the plan.
- Ineffective linkage of strategy, people, and work processes.

Question 4. What is the role of society and family in the growth of an entrepreneur?

Or

Why do you think the role of family in an entrepreneur's life is important?

Answer:

1. What family and friends think or opine about entrepreneurship has a crucial role to play.
2. Besides, the view of the family, their support and the society with regard to failure is also a very important factor.
3. Family's support is very essential as the entrepreneur needs to borrow initial finances from the family and friends.
4. The family's attitude towards education and other careers in fields like medicine, engineering, etc. are also likely to dominate the youth's mindset towards entrepreneurship.
5. A prospective bridegroom can also become a deciding factor, promoting or inhibiting entrepreneurship.

Question 5. What challenges do the woman entrepreneurs need to overcome?

Answer: Woman entrepreneurs need to overcome the following challenges:

- Responsibility towards family, society and huge workload.
- Tough resistance from men.
- Women are considered as helpers.
- The attitude of society towards women.
- Constraints in which women have to live and work are not very conducive.

IV. Long Answer Type Questions [6 Marks]

Question 1. What are the main features of Authoritarians?

Answer: Authoritarians:

- are loyal workers who make the world function.
- make their products, service their systems, and always do it right.
- can be an excellent distributor, franchisee or owner of an existing business.
- can do well when they purchase an ongoing operation.
- are detail and tactic-oriented.
- are motivated by doing things one-way-the right way.
- are very conscientious and cooperative, following rules, procedures and policies carefully.
- are cautious, deliberate, logical and analytical.

They are also relaxed, patient and accommodating by nature, and are a great team player who tends to avoid confrontation.

Question 2. Give the main characteristics of Diplomats.

Answer: Diplomats:

- are restless and enjoy working under a certain amount of pressure.
- get things done quickly and work well with deadlines.
- adjust easily to change and deal well with new situations.
- have a high sense of urgency and like variety,
- work at their full capacity
- they do multitask and keep a variety of jobs going at once.

Question 3. Give and explain the misconceptions about great idea.

Answer: The misconceptions about great idea are:

1. **Great ideas just appear out of nowhere:** It's not true as the best idea generators tend to do so in a structured systematic way. They don't wait for the things to happen.
2. **There are no illogical ideas:** The reality is that, many ideas may not be very good, though to prevent others from feeling that their contribution are not valued; the belief is that, all ideas should be approached as worthy.
3. **The customer will tell you what to do if you will only listen:** Although customers can help identify unmet needs, they require more involvements in making a great idea workable than simply listening to the customers.
4. **We can generate all the ideas we will ever need if we sit down at a meeting:** Generating great ideas is not restricted to a meeting but are best shaped through an ongoing dialogue.
5. **Great ideas aren't the problem; implementing them is:** The reality is that, problems with implementation arise from not screening carefully enough, the ideas that are generated.

Question 4. Describe the ways to generate ideas.

Or

Describe the various structured approaches adopted to generate ideas.

Or

Explain any four main sources of ideas.

Answer: The different structured approaches adopted to generate ideas are:

1. **Environment Scanning:** It means the screening of a large amounts of information to detect emerging changes or trends. Information is scanned from news magazines, reviews, government and consumer publications, trade publications, commercials, etc. Lot of effort is put in but in the end it is energy well spent.
2. **Creativity and Creative Problem Solving:** Creativity is the ability to combine ideas in a unique way or to make unusual associations between the ideas. It involves cross thinking by seeing new angles, connections and approaches. The role of creativity and creative problem solving for generating ideas is that a number of specific creative approaches can be used. For example attribute listing, free association, etc.
3. **Brainstorming:** Here a group of persons sit together and generate a number of business ideas by innovating alternative ways of meeting the needs and solving problems. A number of ideas are discussed and finally a concrete idea is the end result.
4. **Focus Groups:** In this way if generating idea the groups of individuals provide information about proposed commodity (good or service) in a structured setting. Here a moderator focuses the group discussion or issues are being examined. Such group can provide an excellent way to generate new ideas and to screen proposed ideas and concepts.
5. **Market Research:** This is a method of gathering information about products/services that already exist in the market. Demand supply position for a particular product or service is studied in the market and based on it new ideas for products and services are obtained.

Question 5. How is feasibility study important to the entrepreneurs?

Answer: The information gathered and presented in a feasibility study will help entrepreneurs to:

- List in detail all the things they need to make the business work;
- Identify logistical and other business-related problems and solutions;

- Develop marketing strategies to convince a bank or investor that their business is worth considering as an investment; and
- Serve as a solid foundation for developing their business plans.

Even if entrepreneurs have a great business idea they still have to find a cost-effective way to market and sell their products and services. For example, most commercial spaces lease place restrictions on businesses that can have a dramatic impact on income. A lease may limit business hours/days, parking spaces, restrict the product or service that can be offered in some cases, even limit the number of customers a business can receive each day.

Question 6. List the features of feasibility study.

Or

Why are feasibility studies more important?

Answer: Following are the main features of feasibility study:

1. **Process:** A feasibility study is a process in which an idea is studied to see whether it will work and if going to work then how it will work.
2. **Comprehensive:** A feasibility study looks at the total structure, needs, requirements, operations of a business, etc.
3. **Specific:** Feasibility study looks at one issue, i.e. specific task, program, idea, or problem.
4. **Pros and cons:** A feasibility study looks at both sides, i.e. merits and demerits. It also takes into consideration potential problems.
5. **Foundation:** A feasibility study serves as a foundation for developing a successful business plan.
6. **Essential requirement for loan:** Lending financial institution requires the feasibility study considering the proposal for loan by the entrepreneur.

Question 7. Give an outline of a good feasibility study.

Answer: Following is an outline of a good feasibility study:

- Introduction
- Product or Service
- Technology
- Market Environment
- Competition
- Industry
- Business Model
- Market and Sales Strategy
- Production Operations Requirements
- Management and Personnel Requirements
- Regulations and Environmental Issues
- Critical Risk Factors
- Financial Predictions Including: Balance Sheet, Income Statement, Cash Flow Statement, Break Even Analysis and Capital Requirements
- Conclusion.

Question 8. What purposes are fulfilled by a Business Plan?

Answer: A business plan serves the following purposes:

- **Blue print:** It provides a blueprint of actions to be taken by the firm in future.
- **Guidance:** It guides the entrepreneur in raising and mobilising the factors of production.
- **Organisation:** It serves as a guide to the entrepreneur in organizing and directing the

activities of the entrepreneurial venture.

- **Progress:** It helps in measuring the progress of the venture at various stages.
- **Communication:** It communicates to investors, lenders, suppliers, etc. initiating the programmes of the business.

Question 9. Give the main elements of a proposed business plan.

Or

Explain in detail the elements of business plan.

Answer: Proposed Business Plan has the following parts:

1. General Introduction

- (a) Name and address of business (c) Stakeholder of business
- (b) Name and address of entrepreneur (d) Nature of business and customers

2. Business Venture

- (a) Product(s) to be offered (b) Service(s) to be offered
- (c) Scale of business operation (d) Type of technology used
- (e) Type of skilled personnel required

3. Organised Plan

- (a) Form of ownership, sole proprietorship, partnership or joint stock company
- (b) Identification of business, associated partners/members, etc.
- (c) Administrative structure
- (d) Identification of management team

4. Production Plan

- (a) Details of manufacturing process (b) Physical infrastructure required
- (c) Types of plant and machinery (d) Raw materials to be used
- (e) Requirement of power, water, etc.

5. Human Resource Plan

- (a) Categories of human resources or staff required
- (b) Human resource already identified
- (c) Human resource required to be procured
- (d) Time frame for procurement of human resource

6. Marketing Plan

- (a) Products and services offered (b) Pricing policies
- (c) Promotional strategies (d) Logistics for distribution
- (e) Channels of distribution

7. Financial Plan

- (a) Breakeven analysis (b) Fixed capital requirements
- (c) Working capital requirement (d) Sources of capital
- (e) Schedule of procurement of capital (f) Schedule of procurement of asset
- (h) Cash flow projection

8. Miscellaneous/Appendix

- (a) Market research report (b) Contract with vendors
- (c) Contract with financial institutions (d) Type of business risk
- (e) Contingency plan