

## UNIT 4: Entrepreneurial Skills – I

### Assignment Solutions

#### Multiple-Choice Questions (MCQs)

- How many steps are involved in an entrepreneurial process?
  - Three
  - Four
  - Five
  - Six

Ans. d

- Which of the following functions involves employment of individuals with a particular skill set?
  - Promotion
  - Staffing
  - Idea generation
  - Arranging finance

Ans. b

- Which of the following types of entrepreneurs are cautious and sceptic about bringing any change in their modus operandi or enterprises?
  - Innovative entrepreneurs
  - Imitative entrepreneurs
  - Fabian entrepreneurs
  - Drone entrepreneurs

Ans. c

- The entrepreneurs who offer a great degree of advice and help to customers are known as \_\_\_\_\_.
  - advisors
  - administrators
  - builders
  - communicators

Ans. a

- Which of the following steps involves the support for the establishment of the business enterprise?
  - Pre-training
  - Training
  - Post-training
  - All of these

Ans. a

#### Very Short Answer Questions

- What is Leadership?

Ans. Leadership can be defined as a quality that enables to manage all the issues effectively, generate resources and influence others to perform efficiently.

- Define Staffing.

Ans. Staffing can be defined as the process of employing individuals with the required skillsets for carrying out the various organizational functions effectively.

- Who are joint entrepreneurs?

Ans. Joint entrepreneurs are the entrepreneurs who form and operate the enterprises in partnership or involve two or more persons to invest or manage the organization with equal rights.

- What is merchandizing business?

Ans. Merchandising Business is a type of business in which the products are bought at wholesale prices and are sold at retail prices.

- Define community business?

Ans. A community business can be defined as business set up by the communities facing challenges together in developing a business.

#### Short Answer Questions -I

- What do you understand by the innovation characteristic of an entrepreneur?

Ans. Innovation refers to the ability of an entrepreneur to provide things in a novel manner. It is a specific instrument of entrepreneurship that adds value to the products.

- Define the self-confidence characteristic of an entrepreneur.

Ans. Self-confidence refers to the strong confidence that entrepreneurs have in their own abilities to carry out a certain task successfully even in adverse conditions.

- What is staffing?

Ans. Staffing can be defined as a process of employing individuals with a specific skill set that is required to carry out organizational functions effectively.

- Why the arrangement of finance is important for entrepreneurs?

Ans. Arranging finance is necessary for entrepreneurs to establish their enterprises. They need to provide the initial capital to begin the business and arrange the additional funds to carry on further activities and expand the business.

- Who are drone entrepreneurs?

Ans. Drone entrepreneurs are the entrepreneurs who believe in status quo. They do not change their approach of doing business and maintain conservatism even when they suffer losses.

#### Short Answer Question-II

- Enlist and explain any five entrepreneurial skills.

Ans. The following are some of the common entrepreneurial skills:

- **Dynamism:** A successful entrepreneur should strive to bring dynamism to industries and markets by transforming a new idea into a successful innovation.

- **Risk-taking and decision-making ability:** It refers to the capability of entrepreneurs to make decisions under uncertain conditions.
- **Self-motivation:** It means that entrepreneurs can be successful only if they are guided by self-motivation to achieve well-defined objectives.
- **Self-confidence:** It refers to the strong self-confidence that the entrepreneurs have in their own abilities to carry out a certain task successfully even in adverse conditions.
- **Time management:** It refers to the entrepreneur's ability to manage time efficiently.

### 2. Discuss any three functions of an entrepreneur.

Ans. The following are the main functions of an entrepreneur:

- **Idea generation:** It implies that an entrepreneur identifies business opportunities, chooses the most appropriate business opportunity and transforms that opportunity/idea into a successful business venture.
- **Promotion:** It indicates that the activities of an entrepreneur are not limited to establishing an enterprise.
- **Risk and uncertainty bearing:** It points to the fact that an entrepreneur requires to take risks in forming a new enterprise and be aware of any losses due to adverse conditions.

### 3. Classify the entrepreneurs on the basis of the nature of business.

Ans. Types of entrepreneurs based on the nature of business are as follows:

- **Manufacturing entrepreneurs:** These are the entrepreneurs who manufacture goods and mobilize the resources to sell those products.
- **Service entrepreneurs:** These are the entrepreneurs who are involved in manufacturing and rendering services rather than goods.
- **Trading entrepreneurs:** These are the entrepreneurs who carry out only the trading activities.
- **Private entrepreneurs:** These are the entrepreneurs who establish and operate private enterprises without any government control.
- **State or public entrepreneurs:** These are the entrepreneurs who are associated with the enterprises that are owned and controlled by the state government.
- **Joint entrepreneurs:** These are the entrepreneurs who form and operate the enterprises in partnership or involve two or more persons to invest or manage the organization with equal rights.

### 4. Discuss different categories of entrepreneurs based on their personality traits.

Ans. On the basis of personality traits, entrepreneurs can be categorized as follows:

- **Advisors:** These are the entrepreneurs who offer a great degree of advice and help to customers.
- **Administrators or organizers:** These are the entrepreneurs who manage different events and processes.
- **Builders or creators:** These are the entrepreneurs who are involved in building or creative works.
- **Communicators or trainers:** These are the entrepreneurs who offer information services.

- **Caretakers:** These are the entrepreneurs who have an extremely helpful nature and indulge in taking care of the people and property.

### 5. What is the significance of designing Entrepreneurship Development Programme? What are its characteristics?

Ans. Entrepreneurship Development Programme (EDP) was designed to promote small enterprises by identifying and training the prospective entrepreneurs. EDP focuses more on enhancement in operations than academic training to meet certain requirements of the participants. With the help of EDP, the prospective entrepreneurs can be trained to start an enterprise by obtaining the necessary knowledge and skills. They can also learn the required approach to set up their enterprise through EDP as it helps them analyze the environment in which they want to start their business. The following are its characteristics:

- Motivation
- Provide opportunities
- Purpose of developing the first-generation entrepreneurs
- Key tool for HR development
- Primary focus
- Target of preparing entrepreneurs
- Assistance to the potential entrepreneurs
- Subsidized training
- Use of trained and professional instructors
- A process

## Long answer Questions

### 1. Describe different types of issues in EDP.

Ans. Uneven distribution of EDPs in various regions has proved to be the cause of various problems. Thus, suitable EDPs need to be formulated to ensure uniformity and upgradation. Some key issues that require urgent attention are:

- Structure and composition of EDPs
- Operational areas
- Fixing priorities
- Method of financing
- Spatial dispersal of EDPs
- Training of participants
- Follow-up

In addition, some of the operational issues that quite often come forward while implementing EDPs are as follows:

- Sometimes, the supporting agencies or professional organizations fail to support the entrepreneurial programme properly. In this way, they minimize the entrepreneurial potential of a particular region.
- This also leads to the prospective entrepreneurs failing to receive the required guidance and counselling.
- There is a lack of innovation depicted by the supporting organizations and agencies. These often engage in maintenance functions rather than effective operations.
- Past records indicate the failure of numerous EDPs due to insufficient investment by the participating establishments and ineffective selection of the target groups.
- Incompetence and poor management also contribute to the failure of EDPs.

**2. Discuss the scope of entrepreneurship in India.**

Ans. Entrepreneurship relates to establishing small enterprises. In India, the potential entrepreneurs possess dynamic confidence and vision to establish small enterprises. Such entrepreneurship offers them a distinct life. The Indian government has started offering all the necessary facilities and incentives to the potential entrepreneurs. Therefore, the government has updated the industrial policies and five-year plans to enhance industrial growth. The government has started offering various incentives and concessions, which comprise capital subsidy, marketing facilities, technical know-how,

industrial facilities, etc. Various financial corporations, started by state governments, aim to help entrepreneurs in acquiring finance and offering the required technical facility. In addition, the scope of entrepreneurship in India is enhanced with the help of institutions, such as Industrial Development Bank of India (IDBI), Small Industries Development Bank of India (SIDBI), etc. Some of these financial institutions have even started offering venture capital to the prospective entrepreneurs. The continued efforts of the government along with these institutions have started yielding positive results.