



NEERAJ®

ENTREPRENEURSHIP

BCOS-185

**Chapter Wise Reference Book
Including Many Solved Sample Papers**

Based on

C.B.C.S. (Choice Based Credit System) Syllabus of

I.G.N.O.U.

& Various Central, State & Other Open Universities

By: Anita Dua



**NEERAJ
PUBLICATIONS**

(Publishers of Educational Books)

Mob.: 8510009872, 8510009878 E-mail: info@neerajbooks.com

Website: www.neerajbooks.com

MRP ₹ 300/-

Content

ENTREPRENEURSHIP

Question Paper—June-2024 (Solved).....	1
Question Paper—December-2023 (Solved)	1
Question Paper—June-2023 (Solved).....	1
Question Paper—December-2022 (Solved)	1
Question Paper—Exam Held in July-2022 (Solved).....	1

<i>S.No.</i>	<i>Chapterwise Reference Book</i>	<i>Page</i>
--------------	-----------------------------------	-------------

BLOCK-1: ENTREPRENEURSHIP: A PERSPECTIVE

1. An Introduction to Entrepreneurship	1
2. Entrepreneurial Eco-system	11
3. Dimensions of Entrepreneurship	20
4. Entrepreneurs Competencies.....	32

BLOCK-2: BUSINESS IDEA SELECTION AND FEASIBILITY

5. Business Opportunity: Identification and Selection	43
6. Market Research	56
7. Business Plan Preparation	70
8. Business Plan Feasibility	83
9. Business Plan Implementation.....	96

BLOCK-3: MOBILISING RESOURCES AND START-UP

10.	Start-up Initiatives.....	108
11.	Mobilizing Financial Resources	118
12.	Mobilising Non-Financial Resources	135

**BLOCK-4: ENTREPRENEURSHIP AND MICRO, SMALL AND
MEDIUM ENTERPRISES (MSMES)**

13.	Entrepreneurship Development and MSMEs.....	143
14.	Family Businesses in India	154
15.	Success Stories.....	163



**Sample Preview
of the
Solved
Sample Question
Papers**

Published by:



**NEERAJ
PUBLICATIONS**

www.neerajbooks.com

QUESTION PAPER

June – 2024

(Solved)

ENTREPRENEURSHIP

BCOS-185

Time: 3 Hours]

[Maximum Marks : 100

Note: Answer any five questions. All questions carry equal marks.

Q. 1. Discuss the concept of entrepreneurship. Explain the various components of the entrepreneurial ecosystem along with the factors influencing the entrepreneurial ecosystem.

Ans. Ref.: See Chapter-1, Page No. 1, 'Concept and Definition of Entrepreneurship' and Chapter-2, Page No. 12, 'Entrepreneurship and Eco-system' and 'Factors Influencing the Entrepreneurial Ecosystem'.

Q. 2. What makes an entrepreneur successful? Explain various competencies required to be a successful entrepreneur, giving suitable examples.

Ans. Ref.: See Chapter-15, Page No. 167, Q. No. 4.

Q. 3. (a) Discuss the various sources of the business opportunity identification.

Ans. Ref.: See Chapter-5, Page No. 44, 'Sources of Business Ideas'.

(b) Explain the various techniques of business idea generation.

Ans. Ref.: See Chapter-5, Page No. 45, 'Techniques of Idea Generation'.

Q. 4. Why is business plan preparation important in entrepreneurship? Explain the main elements of the business plan with examples.

Ans. Ref.: See Chapter-7, Page No. 70, 'What is a Business Plan?', 'Benefits of Writing a Business Plan' and Page No. 71, 'Key Elements of Business Plan'.

Q. 5. What are start-ups? Explain the challenges faced by start-ups in India. Describe any success story of a start-up.

Ans. Ref.: See Chapter-10, Page No. 108, 'What is a Start-up?', Page No. 111, Q. No. 4 and Chapter-15, Page No. 165 'Success Stories of Small Business Owners'.

Q. 6. Discuss the various financial sources available for starting a business venture. Explain the factors that determine the choice of source of funds.

Ans. Ref.: See Chapter-11, Page No. 118, 'Sources of Finance' and Page No. 123, 'Factors Determining the Selection/Choice of Source of Funds'.

Q. 7. Describe the concept of family business with examples. Explain the major challenges faced by family businesses in India.

Ans. Ref.: See Chapter-14, Page No. 154, 'Concept of Family Business' and Page No. 156, 'Challenges Faced by Family Businesses in India'.

Q. 8. Write explanatory notes on the following:

(a) Rural Entrepreneurship

Ans. Ref.: See Chapter-3, Page No. 20, 'Rural Entrepreneurship'.

(b) MSMEs and Economic Development

Ans. Ref.: See Chapter-13, Page No. 143, 'Role of MSMEs in Economic Development'.

(c) Creativity and Innovation

Ans. Ref.: See Chapter-4, Page No. 32, 'Creativity' and Page No. 33, 'Innovation'.

(d) Market Feasibility Analysis

Ans. Ref.: See Chapter-8, Page No. 84, 'Market Feasibility Analysis'.



QUESTION PAPER

December – 2023

(Solved)

ENTREPRENEURSHIP

BCOS-185

Time: 3 Hours]

[Maximum Marks : 100

Note: Answer any five questions. All questions carry equal marks.

Q. 1. Discuss the relevance of entrepreneurship in the overall development of any economy. What are the factors that affect entrepreneurship development?

Ans. Ref.: See Chapter-1, Page No. 9, Q. No. 6 and Q. No. 5.

Q. 2. What do you understand by entrepreneurial ecosystem? Explain the various components of the entrepreneurial ecosystem.

Ans. Ref.: See Chapter-2, Page No. 12, 'Entrepreneurial Eco-system', 'Policy', Page No. 13, 'Finance', 'Culture', 'Institutional and Infrastructural Supports', 'Human Capital' and 'Markets'.

Q. 3. (a) Discuss the methods of business idea generation with examples.

Ans. Ref.: See Chapter-5, Page No. 45, 'Techniques of Idea Generation'.

(b) Explain the critical components of the financial analysis of the business proposal.

Ans. Ref.: See Chapter-8, Page No. 84, 'Financial Analysis'.

Q. 4. Describe the essential components of a Detailed Project Report (DPR) with the help of examples.

Ans. Ref.: See Chapter-7, Page No. 72, 'Detailed Project Report'.

Q. 5. Explain the Start-up India initiative along with its objectives. Discuss the major measures to support start-ups in India.

Ans. Ref.: See Chapter-10, Page No. 108, 'Start-up India' and Page No. 110, 'Measures to Support Start-ups'.

Q. 6. Discuss the various sources of finance available for entrepreneurship development. Explain the factors determining the choice of source of finance with examples.

Ans. Ref.: See Chapter-11, Page No. 118, 'Sources of Finance' and Page No. 123, 'Factors Determining the Selection/Choice of Source of Funds'.

Q. 7. Explain the role of MSMEs in entrepreneurship development in India. Also, discuss recent initiatives of the government to promote MSMEs.

Ans. Ref.: See Chapter-13, Page No. 143, 'Role of MSMEs in Economic Development' and Page No. 146, 'Some Recent Initiatives by the Government for the Development of MSMEs'.

Q. 8. Write short notes on the following:

(a) Rural Entrepreneurship

Ans. Ref.: See Chapter-3, Page No. 20, 'Rural Entrepreneurship'.

(b) Feasibility Analysis

Ans. Ref.: See Chapter-8, Page No. 83, 'Project Feasibility Analysis'.

(c) MUDRA Yojna

Ans. Ref.: See Chapter-11, Page No. 123, 'MUDRA Yojna'.

(d) MSME Development Act, 2006

Ans. Ref.: See Chapter-13, Page No. 144, 'MSMED Act, 2006'.



Sample Preview of The Chapter

Published by:



**NEERAJ
PUBLICATIONS**

www.neerajbooks.com

ENTREPRENEURSHIP

An Introduction to Entrepreneurship

1

INTRODUCTION

Enterprise, as a word, has caught the creative ability of an era who has flourished on tales of how visionaries like Thomas Alva Edison, Henry Portage, Walt Disney, Charge Entryways, Dhirubhai Ambani, Jamsetji Tata, and Ardeshir & Pirojsha Godrej etc. upset the world with their ambitious thoughts'. In later a long time, with the development of mechanical advancements and the utilization of the same to set forward noteworthy alter in how we see different issues, people like Steve Occupations, Elon Musk, Jeff Bezos, etc., to title some , overseen to distinguish trade openings in unused radical ideas.

In its broadest sense, follows of business enterprise dates back to the benefit-disapproved dealers who had navigated the silk course, and different showcase places entrepreneurship: Perspective around the world looking for benefits in trade for merchandise and administrations. The prevalent recognition drives the idea that a business visionary is somebody who sets up a trade, by taking budgetary dangers, within the trust for benefits. Many economists would oppose this idea and underscore that comparative to terms like "methodology" and "commerce show", business is elastic.

CHAPTER AT A GLANCE

CONCEPT AND DEFINITION OF ENTREPRENEURSHIP

Fair as numerous other financial concepts, the terms enterprise and business person are subject to talk about and don't have a single comprehensive definition. Over two centuries, they have been characterized unmistakably by different they are utilized nowadays.

Although the later recognition of the entrepreneurial fulfillments would tend to appear it as a twentieth or twenty-first-century wonder, the word business visionary is determined from the French word "entrepreneur," which implies "to attempt," Richard Cantillon, an Irish-French financial specialist, is

respected as the originator of the word business person in his work dating back to the late seventeenth and early eighteenth century. He considered a business visionary to be a risk-taker who intentionally apportions assets and takes a dynamic part in seeking after openings to expand the profits.

The consistency within the near tie between business and financial matters has been underlined, over the years, by critical financial analysts. Within the mid- 1930s, Joseph Schumpeter characterized the concept of business enterprise from a financial matters point of see. He characterized it as an administration fashion where a Person seeks after an opportunity where a Person seeks after an opportunity in any case of the accessibility of the assets in hand. Schumpeter suggested that this entrepreneurship requires a procedure where products which are present and business dealings and concepts are substituted with the superior ones which is threading.

In cutting edge times, businesses people are closely related as a precursor of change. A venturesome activity not as it were comprises of the capacity to evaluate dangers in unused ventures, but to oversee them and assemble assets into the profitability. The definition, Entrepreneurship is a interest of openings past assets controlled as characterized by the How and H. Stevenson, who is outstanding academician of entrepreneurial considers at Harvard Trade School includes different aspects of an entrepreneurial try. They are the tireless interest of making unmistakable advance in a shorter term to draw in financial specialists; utilizing novel commerce models for Imaginative items and administrations; continuously trying to find extra assets past those which are as of now in ownership to assist hierarchical advancement. Chandler (1990:8) characterizes enterprise as managing with vulnerability, making a refinement between hazard, which can be calculated, and instability which can't be overcome.

Creation of a modern association or mixture of originality in existing organization; it involves managing with dangers and uncertainties, it makes value, it produces and sustains unused thoughts, prepare

and framework, it includes fabricating, exchanging and promoting of merchandise and administrations. It includes administration exercises, and it makes work.

EVOLUTION OF ENTREPRENEURSHIP IN INDIA

History of business enterprise in India is as early as “Rigveda”. Rigveda says that metal workmanship existed within the society. Craftsmanship was empowered, advanced and ensured. This shows that business enterprise in India is as ancient as the human civilization. Follows of business dates back to the benefit–disapproved dealers who had navigated the silk course, and different advertise places around the world looking for benefits in trade for merchandise and administrations. Expert artisans with valuable articles exist since at that point. These Indian artisan businesses were thriving in those days as the rulers perceived their significance and ensured their ability and advanced their businesses. This industry declined since of different reasons such as disintegration of regal courts, impassion of British colonial government for Indian crafted works’ forcing overwhelming duties on the imports of Indian merchandise in Britain, low estimated commodities advertised by the British getting a charge out of the economics of large scale gave extreme competition to the products of Indian craftsmanship, changing taste and inclinations of the Indian buyers (inclination to western culture).

DETERMINANTS OF ENTREPRENEURSHIP

Development of business people and culture of enterprise is driven by multiple variables which can be isolated into: (a) person variables and (b) environmental components.

Individual/Personal Factors: Individual variables contain individual activities of people who like to do things some time recently a few body else interprets that thought into a running venture. Individual components moreover incorporate capacity of people to recognize and use assets in wake of openings. These are parcel of individuals who can sense openings as a rule challenging to interpret those thoughts into execution. Another person characteristic is tirelessness, which influences culture of enterprise, where individuals like to require up challenging assignments, or ventures and they are less likely to be smug almost their winning status quo. Another critical person calculate is issue understanding behaviour and journey for arrangements in a unused and way better way.

Environmental Factors: They are too called as outside components. Environment of a place is

fundamental fixing of entrepreneurial eco-system which was conductive gives climate or something else that influences development of entrepreneurial culture emphatically or adversely. It incorporates mechanical propels, political environment, lawful framework, financial and social conditions, commerce circumstances, etc. Political steadiness in a locale, for case, is vital to smooth financial action which incorporates catalyzing business visionaries to fructify their goals. Arrangement support for a market driven competitive market empowers modern player to enter markets as well as brushes off complacency among the occupants.

ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT INCLUDING INCLUSIVE GROWTH

Business enterprise has an imperative part within the financial advancement and development of a state. It plays a major part in presentation of modern items. Innovation advances, innovation application and catalyses advertise dynamics towards development. Business visionaries are moderately way better situated to undertake more current thoughts, forms and trade show changes *versus* set up officeholders since their measure and dexterous capabilities. As enterprise scales its roots in a put, it motivates more to connect this way and a dynamic entrepreneurial culture creates like Silicon Valley in US, IT centers in Bangalore, Hyderabad etc., in India. Hence, there’s multiplier impact. This comes about in a process of upward alter which can emphatically influence generally generation of products, administrations and utilization. This deciphers into superior genuine per capita salary of a nation rises and, subsequently, advancement of the state.

- **Creation and Distribution of Wealth:** They prepare assets which something else would stay sit out of gear, gain cash and convey it to society within the frame of lease such as intrigued to capital (Investor’s lease) Compensations and compensation to human assets, lease to other inputs of components of production.
- **Employment Generation:** Business people whereas building up and overseeing their endeavors produce and give work to individuals within the society.
- **Balanced Regional Growth and Development.:** Business people find their businesses indeed in inaccessible and less created region this leads to development in industry and other businesses which brings advancement and advancement in foundation such as rail, street, air terminals, power, water, schools, hospitals holds etc. That’s

why entrepreneurship is called as development quickening agent.

- **Contribution in GDP:** Undertakings, particularly MSMES contributes essentially within the GDP of India. More commerce units utilize more assets, resultantly National Salary, and per capita wage too increases.
- **Increase in Standard of Living:** By bringing in advancement business visionaries make colossal commitment in making strides the standard of living. For case, portable phone administrations are so less that each and each family, independent of their financial status, is utilizing portable phone administrations presently a day's which was reasonable about two decades back.
- **Increase in International Trade:** Within the need of getting get to the greater advertise, endeavors cross boundaries when they feel that residential showcase is covered and immersed and they need to grow encourage. They make their reach in foreign market and these increments the trade of the country.

MODELS OF ENTREPRENEURSHIP

Ambitious Innovators

This show of business enterprise accepts in high hazard taking, experimentation and resistance to disappointments. The business people of this category accept in arrangements of radical nature from the current arrangements. They may well be individual business people or agents of organizations where climate which is conducive attempts modern arrangements and disappointments in attempting modern things are not as a rule penalized. Ambitious trailblazers are advocates of investigation and creation. Entrepreneur's may afterward weaken the ownership or offer their wander through and through and engagement may proceed some of the time change self in wanders which constricts economy at a bigger scale and produce Work openings Numerous innovation wanders in final few decades like periphery Face book, etc., are illustrations of this sort.

Adaptive Innovators

This sort of business enterprise is driven by moderately lesser level of chance taking craving and takes after incremental development approach. Incremental advancement may be an arrangement of small improvements to the items already existing within the market. Adaptive innovators don't take huge chance so they take after incremental development approach where they don't present or modify a completely modern arrangement (commerce offerings) or maybe they copy innovative business visionaries by making little advancements within the

existing items or trade offerings. A few business people create their impression by rolling out particular unused functionalities or now and then prepare developments. These undertakings can possibly make bigger financial affect and scope for employability.

Solo Self Employed

This constitutes the biggest gather of business visionaries who are working on their claim and regularly contributes most extreme in terms of their numbers. These companies have the potential to bring higher dexterity to their client firms more often than not the next level firm in case of Business to Business (B2B) engagements.

Managerial Employers

This constitutes rest of boss business visionaries who are not driven with regard to firm development. Their prime sense is maintainability or in coherence. For the most part their endeavors are focused towards taken toll productivity through prepare advancements or advancements. Numerous times such companies may obtain a company with radical development capability to maintain.

Social Entrepreneur

Social business people are centered on societal concerns counting ecological challenges. Their major center is to illuminate community based issues. Social business people take chance and make endeavors to make positive changes within the society. They begin commerce for the more noteworthy social good and only for benefits.

THEORIES OF ENTREPRENEURSHIP

There are numerous speculations which shape premise of conceptual space of business enterprise. These speculations have roots in financial matters, brain research humanism, human studies, and administration. Unmistakable among these hypotheses are as follows:

1. Psychological Entrepreneurship Theories:

In this hypothesis, the center is on person identity characteristics. Advocates of this hypothesis accept that individuals with certain characteristics are more likely to gotten to be insect business person. Require for accomplishment and control leads to slant for innovativeness, chance taking and acknowledgment of introductory disappointments in experimentation. Agreeing to characteristics scholars, characteristics vital for entrepreneurial capability is natural. Identity characteristics are characterized as supported qualities that and person shows in most circumstances (Coon, 2004). Business people are for the most part detecting openings, generally inventive and have craving for

quicker learning of administration aptitudes. Locus of Control investigates individual's discernment around the reasons behind occasions of life (Rotter, 1966).

David McClelland Theory says that business visionary are guided and persuaded by three critical needs, require for aliliation, require for control and require for accomplishment. These three needs are the most noteworthy inspirations and influencer.

Rotter's Locus of Control Theory (defined by Julian Rotter in 1954) accepts that individuals are guided by their seen locus of control among people. Locus of control may be inside, called as inner locus of control or it can be made through outside back, named as outside locus of control. Business visionaries are found to be guided primarily by inner locus of control. Individuals with inner locus of control accept that they can make things happen by their activities i.e., they are able of doing anything or fathoming any issue, where as individuals with tall outside locus of control, accept that the happening in life is past their control and these happenings happen since of outside components such as destiny, alter etc.

Michael Frese defined Action Regulation Theory: In this hypothesis it is accepted that enterprise is related to arranging. A person with arranging conduct or state of mind is more likely to be effective. Cognitive capacity is exceptionally pivotal for business visionaries, agreeing to this hypothesis.

2. Economic Entrepreneurship Theories: Financial hypotheses of enterprise can be separated into three different time periods.

Let us rapidly talk about the substance of these theories:

(i) Classical Theory of Entrepreneurship: Advocates of classical hypothesis accepted that part of business visionary is limited to generation and conveyance of showcase merchandise in a competitive showcase put; there are two vital classical hypotheses of business enterprise.

(a) Ricard Cartillon Theory: Ricard Cartillon was an Irish-French financial analyst. He is respected as the originator of the word business visionary in his work amid late seventeenth and early eighteenth century. He pushed that business person may be a chance taker who conducts all trades (asset assignment, and taking a dynamic part in seeking after openings to amplify his benefit).

Schumpeter underlined the key part of business people in bringing advancement by locks in with diverse performing artists of a financial eco-system. His thoughts on part of business visionaries in maintaining financial prosperity has been very powerful and taken after by numerous countries.

Unused unmistakable item or benefit, Unused particular handle to deliver item or service, Address a distinctive gathering of people or market, Exploring effectively a unused asset input within the generation process , Unused trade show or drastically a unused association through change with more current capabilities.

(ii) Neo-classical theory of entrepreneurship: Neo-classical theorist believed that the part of exchange in an economic arrangement through the decreasing marginal use that creates possibilities for entrepreneurial role.

(iii) Austrian Market Process of Entrepreneurship: This hypothesis centers on business people activities based on their data understanding and information with respect to the economy. Advocates of this hypothesis accept that business people reacts to the changes within the energetic advertise to form benefits.

3. Opportunity Based Entrepreneurship Theory: The opportunity based hypothesis gives an extended space for researchers to clarify the getting to be of a business visionary and its determinants. Dwindle Druker (1985) contends that business visionaries most likely seize the openings emerging from changes around us with a financial prospect. Business visionaries keep seeking out for unused conceivable outcomes and issues which can be tended to through an unused or way better arrangement than the existing arrangement. After distinguishing proof of any opportunity, business visionary reacts with an arrangement depending on get to the assets and capabilities (Stevenson, 1990).

4. Sociological Entrepreneurship Theory: There are a few major social components which trigger entrepreneur openings (Reynolds, 1991). Social organize play a major part as trigger. As well as encourage amid different stages of entrepreneurial lifecycle. The underlined thought is for building social connections which improve believe. The business visionary can succeed more from developing and keeping up believe with the expecting gathering of people of the entrepreneurial action.

5. Anthropological Entrepreneurship Theory: Anthropologists underscore part of culture like traditions, root, and convictions of a community. This hypothesis can clarify predominance of introduction towards commerce, picking a particular sort of proficient career, etc., among certain communities. We have seen in India, certain geographic belts with particular culture, one can discover individuals selecting career in defense strengths, or setting up businesses or commerce introduction or towards craftsmanship, music, etc. The center is on the social business enterprise show. Culture may be a work of different measurements counting