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10MBA42

Fourth Semester MBA Degree Examination, June 2012
Entrepreneurial Development

Time: 3 hrs.

Max. Marks:100

Note: 1. Answer any FOUR full questions from Q.No.1 to 7.
2. Q.No. 8 is compulsory.

- 1 a. Explain the concept of entrepreneurship. (03 Marks)
b. Explain with a diagram, the entrepreneurial development cycle as suggested by M.P. Akhori. (07 Marks)
c. List and explain the various types of entrepreneurs based on functional characteristics and the developmental angle. (10 Marks)
- 2 a. Differentiate between the invention and innovation. (03 Marks)
b. Explain the principles of brainstorming technique with respect to creative problem-solving. (07 Marks)
c. List and explain the various sources for new ideas in the context of creativity and innovation. (10 Marks)
- 3 a. What do you mean by business plan? (03 Marks)
b. Explain briefly the outline of a business plan. (07 Marks)
c. Illustrate the preparation of a model project report for starting a new venture. (10 Marks)
- 4 a. What is single window scheme? (03 Marks)
b. List the functions of district industries centre. (07 Marks)
c. List the objectives of Indian institute of entrepreneurship. (10 Marks)
- 5 a. What is the importance of family business for the economic development of the country? (03 Marks)
b. Discuss the various strategies exercised in order to improve the capability of family business. (07 Marks)
c. Discuss the various factors that assist entrepreneurial entry into international business. (10 Marks)
- 6 a. What do you understand by informal risk capital market? (03 Marks)
b. Discuss the important features of venture capital. (07 Marks)
c. List and briefly explain the various sources of venture capital. (10 Marks)
- 7 a. What do you mean by venture capital? (03 Marks)
b. Define franchising. Discuss its advantages and limitations. (07 Marks)
c. Discuss the advantages and disadvantages of acquisition. (10 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg. 42+8 = 50, will be treated as malpractice.

- 8 Read the following passage and answer the questions given.

Succession in family business

Vishwanath is the founder of Jai Hind engineering, which is a private limited 100 percent export oriented company, employing 200 workers. He has been in this business for the past 15 years. He has two children, a son and a daughter. His son, Veerendra, is a mechanical engineer. He joined the business 5 years back and spent most of his time in the production division. His daughter, Vidya, is a law graduate. She joined the business three years back and takes care of office administration.

Vidya got married to Milind 5 years back. Milind is an industrial production engineer and also a post graduate in business administration from the Bajaj institute of management. He was working for Mahindra at the time of marriage. Three years back, Vishwanath had a mild heart attack. He requested his son-in-law, Milind, to resign his job and join the family business. From the last two years, Milind has been running the business very well and with little assistance from his father-in-law. Even though Milind is shouldering all the responsibilities and taking major decisions, he has been given nothing in writing that states that he will take most decisions.

Vishwanath is slowly planning for his retirement and wants his son to be the President of the company when he retires completely from the business. He also insists that Milind involve Veerendra in the decision making process. However, Veerendra does not have good understanding of the business practices nor is he capable of making financial and marketing decisions. He spends most of his time working in the production division and avoiding management responsibilities. In spite of his limitations, Veerendra wants to be the President of the company and take over from his father.

At present, Milind is paid a lesser salary than Veerendra despite putting in more hours at work and is contributing more to the family business. Both Vishwanath and Veerendra are happy with Milind's performance but feel the title should go to Veerendra. Vishwanath plans to make Vidya co-president with equal share in ownership.

But Milind and Vidya are quite uptight over the lack of acknowledgement for their true roles. Milind is extremely bitter about the situation and may quit some day. He says he will not work for and be answerable to Veerendra.

Questions:

- a. Who should have the title of President and why? **(05 Marks)**
- b. Should Vishwanath drop a succession plan since he is 60 and in bad health? **(05 Marks)**
- c. Should he make Veerendra, Vidya and Milind aware of the contents of the succession plan? **(05 Marks)**
- d. If you were in the position of Milind, what would be your decision? Elaborate. **(05 Marks)**

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