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Roll No. ....

MBA IB - IV Sem.

2077

MBA IB Examination, May 2016

Entrepreneurship and Small Scale

Enterprises

(MBAIB - 403)

Time : Three Hours ]

[Maximum Marks : 100

**Note :** The question paper contains **three** parts.

All questions are **compulsory**.

**Section-A**

1. This question contains 20 objective type-questions, choose the correct answer and write its serial order :  $1 \times 20 = 20$

(1) Lack of self-confidence is the secret of success of all entrepreneurs.

(True/False)

(2) An entrepreneurs should have the capacity to take timely decision.

(True/False)

(3) Only rich persons can start a business.

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- (4) A small industry can be started by an entrepreneur in his own premises or rented premises. (True/False)
- (5) An entrepreneur should start a business far away from the customer's residences. (True/False)
- (6) Large amount of working capital is not required for small business. (True/False)
- (7) Sales promotion technique should be used for marketing the product. (True/False)
- (8) Which one is not function of an entrepreneur?
- (a) Turning ideas into action.
  - (b) Feasibility study
  - (c) Resourcing
  - (d) Shutting down the existing business
- (9) Who can start a business?
- (a) Only highly educated person
  - (b) Only an uneducated person
  - (c) Only rich person
  - (d) Any one of the above
- (10) While selecting line of a business an entrepreneur must keep in his mind :
- (a) Profitability

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- (b) Risk involved
- (c) Profits
- (d) All above

(11) Newspapers, business periodicals, trade journals and govt. publications are :

- (a) Sources of information on economic opportunities.
- (b) Sources of news but not economic data
- (c) Poor sources for research because the information is too brief
- (d) All of the above

(12) Which of the following is not a method of market segmentation?

- (a) Benefit
- (b) Geographic
- (c) Market devolution
- (d) All of the above

(13) Among the barriers to entering an industry are :

- (a) Trade marks
- (b) Switching costs
- (c) Status symbols
- (d) All of the above

(14) Many entrepreneurs choose to start business by themselves because :

- (a) They want uncontested control

- (b) Coordination is less complicated
- (c) Profits will go to only the founder
- (d) All of the above

(15) The relationship between firms and new markets is

- (a) New firms must establish new markets
- (b) New firms usually establish new markets
- (c) New firms seldom establish new markets
- (d) New firms never establish new markets

(16) Which statement is not true of entrepreneurs? <https://www.ccsustudy.com>

- (a) They apply innovative ideas
- (b) They take risks
- (c) They are agents of adjustment
- (d) They generally stick to the processes already in use

(17) Which of the following is not one of the environmental factors that may influence the potential of a small business?

- (a) Affluent population providing a market
- (b) Industrial structure favours small independent units

- (c) An industry with economics of scale
- (d) Close contacts with customers related to problem solving activities
- (18) The disadvantages of entrepreneurship include autonomy the challenges of a start-up and less control over personal finances. (True/False)
- (19) Culture does not affect the image or status of entrepreneurs. (True/False)
- (20) Self-efficacy is a person's need for achievement. (True/False)

**Section-B**  $15 \times 2 = 30$

1. Case study :

Aravind eye hospitals, (a \$11 million) venture based in Madurai, India is one of the largest eye-hospitals in the world and in terms of scale, the single largest provider of eye surgeries. Started as an 11-bed hospital by Dr. G. Venkataswamy, the Aravind conglomerate now consists of hospitals, an intraocular lens manufacturing unit and community development and research institutes. Though two thirds of the surgeries are performed free of charge, Aravind is financially self-sufficient. A high level of efficiency in all its activities is seen as one of the secrets behind Aravind's success.

Q. 1. Discuss how firms, especially in developing Countries, with a low capital base can sustain themselves.

Q.2. How can Aravind serve as a role model for business that serve the 'bottom of the pyramid'.

2. Case study 2.

Ever since, long time, Indian farmers have been the victims of vagaries of nature and corruption in the system. India, being an agrarian nation, has almost two-thirds of its workforce relying on farming for their livelihoods. However, almost 70% of farming is rainfed, due to poorly maintained irrigation systems and lack of extension services like allocation of water, electricity etc. These conditions are threatening the conventional agricultural practices resulting in them being neither economically nor environmentally sustainable. Besides, the land ceiling acts, family disputes and zamindari system have led to the fragmentation of land and in turn resulting in disguised unemployment, low productivity of farm labour and poverty. Identifying the link between water scarcity and poverty, Amitabha Sadangi, started a NGO, International Development Enterprise

India (IDEI) in 1984, focussing on the empowerment of oral farmers by making simple and affordable farming equipment like the treadle pump. The organisation initiated various other programmes like affordable drip, irrigation technology intervention (ADITI), business development programme, integrating poor into market systems, crop post harvest programme, which have gained acceptance among small problems. The company over a period of time has achieved success not only in selling its low cost irrigation kits but also ensure increased yield and revenue for the small and marginal farmers through them. <https://www.ccsustudy.com>

- Q.1 In the socio-political scenario of India, can such business cater to the market gaps in the 'bottom of the pyramid'?
- Q.2. Identify the gaps that exist in the field of, irrigation in India, leading to the rise of social innovations.

**Section-C**  $12\frac{1}{2} \times 4 = 50$

1. What is the scope of Entrepreneurship among women in India? What role can they play in development of an economy?

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**OR**

How can NGOs help in development of Rural entrepreneurship?

2. What are the qualities, skills and functions of an Entrepreneur? Why should the govt. encourage entrepreneurs?

**OR**

Why is it imp. to do opportunity analysis first before starting anything afresh? How can it be done?

3. How can SWOT analysis help an entrepreneur? Why there should be a feasibility check?

**OR**

Write short note on :

- (a) Patents and trademarks  
(b) Intellectual Property rights.

4. What can the entrepreneur do to reduce the risk associated with the business? What are imitation strategies?

**OR**

What is debt-equality ratio? What should be a small business owner's primary concern when investing surplus cash?

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