

PRESIDENCY UNIVERSITY, Bengaluru
School of Management
Comprehensive Examination

II Semester 2015-2016

Course: MBA A 114 Entrepreneurship and New venture creation

(Closed Book)

27th May 2016

Max. Marks: 80

Max. Time: 3 Hours

Weightage: 40% Set- A

Part – A

(10QX2M= 20M)

1. Define Entrepreneurship?
2. What are the three types of displacement?
3. What are the sources of research on entrepreneurs?
4. Define Corporate Entrepreneurship?
5. Mention any two common pitfalls encountered in selecting a new venture?
6. List any two financial difficulties that can cause a venture to fail?
7. List the alternate source of financial support available for Indian entrepreneurs?
8. Define Venture Capitalist?
9. What are the disadvantages of Sole Proprietorships?
10. List any two statutory law governing the franchising in India?

Part B

(6Q X 5M=30M)

1. Evaluate the need to develop corporate entrepreneurs in the recent years? How do corporates handle the obstacles of implementing the strategy?
2. What do you mean by Social Entrepreneurship? Discuss the efforts of entrepreneurs to become more socially responsible?
3. Define Opportunity Identification? What are the major sources of innovative ideas?
4. Identify three main pathways to entering business for a prospective entrepreneurs?
5. Define “Angel Investors”? Examine the different classification of Angel Investors?
6. Examine the critical factors for new ventures development?

Part C

(9+9+12=30Marks)

A Product Design Problem

When Asha learned that the government was soliciting contracts for the manufacture of microcomputer components, he read the solicitation carefully. Asha’s knowledge of microcomputer is extensive, and for the past five years she has been the university professor actively engaged in research in this area. If she could land this government contract, Asha feel’s certain she would be well on her way to going into business designing microcomputer components.

Asha asked for a leave of absence so she could bid on the microcomputer contract. She then worked up a detailed proposal and submitted it to the government. Eight months ago, she learned that she had been awarded the contract. For next four months, Asha and two university colleagues who had joined her worked on completing their state-of-the- art components. When private firms learned of their contract,

Asha was inundated with requests for components. She realized that as soon as she completed her government contract, she would be free to enter into contracts with private firms. Two months ago, Asha shipped the components to the government. The next week, she began signing contract with firms in the private sector. In all, Asha signed agreements with six firm to provide each of an average of \$400,000 worth of components during the next four months. Last week, the first shipment of components was delivered to one of the private firms.

In the mail delivered earlier today, Asha received a letter from the government. The communication informed her of quality problem with the components she had manufactured and shipped. Part of the letter read, "It took approximately four weeks of use before it became evident that your components have quality flaws. We believe the problem is in the basic design. We would like to meet with you at the earliest possible time to discuss your design and to agree on which steps must be taken in order for you to comply with the terms of your contract". Asha hoped to keep this news quiet until she could talk to the government authorities and find out what was going wrong. However an hour ago she received a call from one of the private firms. "We hear that the microcomputer components you had shipped to the government had a quality flaw" the speaker told Asha. "Could you tell us exactly what the problem is?"

1. Identify the Issues here? What mistakes did Asha make in terms of the new venture?
2. How could this problem have been prevented? Defend your answer.
3. What are the lessons about new venture assessment does this case provide? Provide all the steps

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Test 1

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Max Marks: 30

Max Time: 50 Min

Weightage: 15 %

28 Mar 2016

Set A

Q 1. Answer the following in short

(5Q x 1M=5M)

1. Define Entrepreneurship?
2. What is difference between small business owners and entrepreneurs?
3. Name any three myths of entrepreneurship?
4. Define "Äge of Gazellels"?
5. Examine different types of innovation?

Q 2. Briefly answer the following

(3Q x 5M = 15M)

- A. Critically evaluate the school of entrepreneurial thought which use macro view of entrepreneurship?
- B. What is the process approach of Entrepreneurship? What do you mean by Entrepreneurial assessment approach?
- C. Entrepreneurs have tolerance for ambiguity, are calculated risk takers have regard for integrity and reliability? What does this statement mean?

Q. No 3 Read and answer the questions (3+4=3= 10 M)

AVAZ

Avaz is India's first assistive device for people with speech disability. It can provide voice to nonverbal people with autism cerebral palsy, intellectual disability, aphasia and hearing impairment. Avaz was designed and commercialized by Invention Labs, a startup based out of IIT Madras Research Park in Chennai and started by alumini of IIT Madras. The avaz story began in 2008 as joint project of innovation labs IIT Madras and Vidya Sagar, Chennai. Both Avaz and Invention Labs have won a number of awards and recognitions since the inception of Avaz. They were awarded the National Award for Empowerment of People with Disabilities. In 2011, they made it to MIT review list of top innovations in India, and was named Innovator of the Year.

- a) Examine the concept of social entrepreneurship?
- b) What are the challenges faced by social enterprises like Avaz?
- c) Examine the need for the social entrepreneurship movement with reference to this case?

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Test 1

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Max Marks: 30

Max Time: 50 Min

Weightage: 15 %

28 Mar 2016

Set B

Q 1. Answer the following in short

(5Q x 1M=5M)

1. Define Creativity?
2. Differentiate between adaptor and innovator?
3. Examine two traits of entrepreneurs?
4. Define I Team?
5. Define Entrepreneurship?

Q 2. Briefly answer the following

(3Q x 5M = 15M)

- A. Describe opportunity identification for entrepreneurs? How are prior knowledge and learning important to recognition of opportunities?
- B. Social enterprise can be classified into three distinct categories? Describe each category and efforts of the entrepreneurs?
- C. A number of corporations are working towards reengineering corporate thinking and innovative environment? Give two reason why it is essential to have a corporate entrepreneurship in recent years

Q. No 3 Read and answer the questions (4+3+3= 10 M)

Innovation Inside Whirlpool

Chairman and CEO David R Whitwam believed that anyone of Whirlpool's 55000 employees could come up with innovative products or services given the proper guidance. Whitwam understands that most employees may not have the time and insight to develop an entire business or product line, but feels he must encourage all employees to at least think like entrepreneurs. The alternative option, according to Whitwam is to resign to company slow growth, diminishing margins and faltering share prices.

The results have been a success. A KitchenAid division employee, Josh Gitlin, dreamt up a company specializing in in-home cooking classes taught by a network of branded chefs. The company, Inspired Chef, was launched and funded by Whirlpool and expanded to 33 states.

The number of ventures continues to increase; the kitchen aid division is introducing a line of outdoor grilling equipment and Whirlpool is a testing a mini-firdge that can be turned into an oven to cook a meal, all controlled via the internet.

- a) Define the concept "Corporate Entrepreneurship"? From the case, critically evaluate the need for corporate entrepreneurship?
- b) How do you develop managers for corporate entrepreneurship?
- c) What are the advantages in developing corporate entrepreneurship?