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**Presidency University**

**Bengaluru**

**SCHOOL OF MANAGEMENT**

**MAKE UP EXAMINATION SEP 2023**

**Course Code**: MGT142

**Course Name**: Entrepreneurship Development

**Program** : BBA/BAV

**Date**:05.10.2023

**Time**: 01.00PM-04.00PM

**Max Marks**: 100

**Weightage**: 50 %

**Instructions:**

*Read all questions carefully and answer accordingly.*

**Part A [Memory Recall Questions]**

**Answer all the questions. (10Qx03M=30M)**

1. Sam is a kind of person who always has new ideas for business. He wants to disrupt a market by bringing new products and services. Identify the type of Entrepreneur mentioned here and bring out the benefits of it. ( C.O.1) (Comprehension)

2. Entrepreneurship has been given importance and included in the curriculum. Education makes one to find meaningful solutions to solve societal problems by providing new products and services by developing intellectual aptitude. Education for an Entrepreneur is inevitable. Do you agree and justify your points. (C.O.1) (Comprehension)

3. Arun wants to become an entrepreneur. Since he is hardworking, innovative and always active in concerning the society to develop new products and services to satisfy the need of the society. He is influenced by one of the past experiences that he went through. Mention the level of entrepreneurial culture of Arun. (C.O.2) (Comprehension)

4. Naveen has a restaurant. Due to the pandemic, his business is not moving further ahead. So he is in the stage to wind up his business. But if he gets a proper suggestion to develop his business by taking a proper risk. Would you help him with what kind of risk he has to take to run his business further? (C.O.2) (Application)

5. When Henah conducted an environmental analysis for her cotton manufacturing company, She understood some of the economic factors influencing her business very well. So she is in the position to change her business strategy based on the direction the economy appears to be going. Mention the economic factors having the influence on her business and why?.

(C.O.3)(Application**)**

6. John is an agriculturist. He is having plans to cultivate the potato in his own land and convert it into a wonderful snack by deep frying it and adding his own masala flavor. His village people appreciated his idea and helped him in preparing it. They are now finding a good platform to sale it. So he thinks to register his business. But he does not which type of business he will be coming under. Find the type of company he could register (C.O.4) (Application)

7. Match the following

|  |  |  |
| --- | --- | --- |
| i. | Statutory Company | a)more than 51% paid up share capital |
| ii. | Section 8 company | b) Public Services |
| iii. | Government company | c) Charity & Social Welfare |

C.O.4. (Knowledge)

8. True or False

i) Employment terms and conditions such as recruitment, leaves, discharge of duties are comes under the Minimum Wages Act

a) True b) False

ii). The Contract Labor Act, 1970 aims to obstruct the ill-treatment of contract labor through introduction of healthy working conditions.

a) True b) False

iii). The Sexual Harassment of Women at Workplace Act, 2013 Act aims to safeguard women against sexual harassment at the workplace

a) True b) False C.O.4. (Knowledge)

9. Choose the Answer

i). \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_is the practice of developing a new venture within an existing organization, to exploit a new opportunity and create economic value.

a) Intrapreneurship b) Entrepreneurship c) Social Entrepreneurship d) all the above

ii). \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is to improve the quality of life in rural areas by providing Products and services to rural communities.

a) Intrapreneurship b) Entrepreneurship c) Social Entrepreneurship d) Rural Entrepreneurship

iii). \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ entrepreneur identifies the issue in the education domain and develops solutions

a) social Entrepreneur b) Education Entrepreneur c) Rural Entrepreneur d) Green Entrepreneur C.O.5. (Knowledge)

10. Expand the Following

i). MSME – M \_\_\_\_\_\_\_\_\_, S\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, M\_\_\_\_\_\_\_\_\_\_\_\_\_, E\_\_\_\_\_\_\_\_\_\_

ii). OPC- O\_\_\_\_\_\_\_\_\_\_\_\_\_, P\_\_\_\_\_\_\_\_\_\_, C\_\_\_\_\_\_\_\_\_\_\_\_\_\_

iii). EDII - E\_\_\_\_\_\_\_\_\_, D\_\_\_\_\_\_\_\_\_\_\_\_\_\_, I\_\_\_\_\_\_\_\_\_ I\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

C.O.4. (Knowledge)

**Part B [Thought Provoking Questions]**

**Answer all the Questions. (05Qx08M=40M)**

11. Rural crafts and metal handicrafts held a special appeal for Sajitha. Many times she had thought of doing some business in handicrafts. But so far the only outlet for her creative urge was to participate in annual exhibitions organized by NGOs. Then she received an American interested in artificial jewelry. Mrs. Sajitha, got these fabricated through local artisans. and showed them to the American customer, who was highly appreciative. Subsequently an arrangement was made to book a few consignments to the USA through an exporter. Mrs. Sajitha looked to the prospects in the export business. She decided to expand her set-up. Together with a bank loan and money from friends and relatives. she floated their own exporting firm, Medha International. Ornaments, brassware, paper made products and lacquer miniatures from Andhra Pradesh and Jaipur constituted the main items of export. During her foreign tours Mrs. Sajitha discovered that ornamental cane furniture could be another promising export item. Through observation, direct interaction with customers. and reading she formed a practical idea about the type and design of cane ware that would appeal to western customers. Mrs. Sajitha quickly switched over to exporting cane furniture only. as there was no competition at all. She provided work to 60 traditional artisans and tribes who took pride in the fact that their work travelled globally and that they contributed to the country's earnings.

a. Explain the type of Entrepreneurship mentioned in the case.

b. Discuss "think global ant locally " in the case of Mrs. Sajitha. (C.O.No.1) [Application]

12. When Zomato launched, it aimed to be the best restaurant search and discovery platform. It had the names of various restaurants, their menu, their prices, reviews and other details. It provided in-depth information of over 1.4 million restaurants across 23 countries. Over the years, it has converted itself into an online food delivery platform. People can now order food from the restaurants near them using their app or website. Zomato has put in a lot of effort in SEO. Digital Marketing Strategies of Zomato are Search Engine Optimization, Paid Advertising, Social Media Marketing, Keywords on the web pages, Backlinks, and Keywords in URL. Zomato’s Digital Marketing Strategy will have to keep changing according to the current trends. They will have to find new ways to attract their consumers’ attention.

a. Explain the role of the Internet of things in business.

b. Discuss – The strategy of Zomato is right according to the trend (C.O.No.1) [Comprehension]

13. Naman and Govind after finishing their graduation under the vocational stream decided to start their own travel agency which will book Rail Tickets and Air Tickets on a commission basis. They also thought of providing e-tickets within ten minutes of booking through the use of internet. They discussed the idea with their Professor Mr. Mehta who liked the idea and suggested they first analyze the business environment which consists of investors’, competitors and other forces like social, political etc. that may affect their business directly or indirectly. He further told them about the technological improvements and shifts in consumer preferences that were taking place and hence they should be aware of the environmental trends and changes that may hinder their business performance. He emphasized making plans keeping in mind the threat posed by the competitors so that they can deal with the situation effectively. This alignment of business operations with the business environment would result in better performance

Identify the factors that impact the business environment and substantiate the points for the success of business idea. (C.O.No.3) [Application]

14. Xerox, the pioneer of plain-paper copiers, was confronted in the mid-1970s with competitors offering copiers that were much smaller and more reliable than the traditional product. The new products required little new scientific or engineering knowledge, but despite the fact that Xerox had invented the core technologies and had enormous experience in the industry, it took the company almost 8 years of missteps and false starts to introduce a competitive product into the market, in that time Xerox lost half of its market share and suffered serious financial problems.

Mention the type of Innovation followed by Xerox and advantages and disadvantages of this type of innovation (C.O.No.3) [Comprehension]

15. Shiny aspires to become an entrepreneur. She has the idea of a business that is completely a green business. She wants to sell cosmetics which is completely homemade and the ingredients are vegetables only. She already met her friend Edwin and had confidence after the conversation with him. Edwin wants to invest in her business. But the fund will be enough for starting the idea by doing research only. she needs another source of funds. Discuss the sources of finds will be helpful for her business.

(C.O.No.4) [Application]

**Part C [Problem Solving Questions]**

**Answer all the Questions. (02Qx15M=30M)**

16. Deepak Joshi 17 years old, sampled ice cream at a store and thought that he could make it better. He made his own recipe and began selling ice cream bars. cones, and cups in his hometown of Belgaum. People began asking him for more. Deepak got himself trained at Mysore and developed skills to prepare ice creams of different flavors and compositions. Using small profits and his mother's kitchen, Deepak Joshi began making large batches of ice creams. He then designed his own wrappers and developed a commission system for friends who sold ice creams at several schools. Business was so good that it became an obsession. Deepak worked after college, weekends, and holidays. and aside from a brief period when the health department suspended his operations until he obtained proper permits to make ice creams, he made different types of ice creams by trying his own methods until he graduated from college.

At first, he could meet the demand without purchasing special equipment or sacrificing other activities, but when he began providing ice creams for college fundraising events and fun fairs, demand exceeded capacity, and Deepak found himself buying professional equipment, hiring helpers. and purchasing bulk supplies. Deepak set about placing orders with local stores and developing contracts with dozens of schools. colleges, caterers, hotels, and civic organizations. Soon he registered the company and set up an ice cream parlor.

At the age of 26, Deepak repositioned his company as a major distributor of specialty ice creams and began planning a chain of upscale ice cream parlors that would complement his current ice cream manufacturing and distribution system.

Reflecting upon his business. Deepak realised that many people considered his success to be no more than the luck of a personable young man who made good ice creams and had accidentally stumbled upon a few good markets. In fact, he had worked extremely hard to attract clients. Most of his customers had not been comfortable buying from a young college student, and customers seldom took him seriously until they had dealt with him for a long time. Winning over customers had always been a challenge to Deepak.

Not a roadblock. and creating unusual ice creams had been exciting. He was not anxious to become a corporate manager, and although he had always worked well with others. Deepak liked being independent. Running a company would mean sacrificing his autonomy, yet the idea of a chain of stores selling his specialty ice creams had been a dream for years. At the same time. expansion would mean financial risk, and Deepak had always avoided debt; he dealt in cash and had always carefully calculated his expenses to avoid even the slightest loss. He realised that he was at a major crossroad in his young career. The choice seemed to be whether to follow his dream and expand or to be content with his existing business.

Questions

I. Identify the entrepreneurial characteristics of Deepak Joshi. How do they match the characteristics described for successful entrepreneurs?

2. Explain. How does luck play a role in any new venture?

(C.O.2.) [Comprehension]

17. Have you ever tried to describe an item you want to a salesperson in a clothing store, and then watched that person shake his or her head and shrug his or her shoulders? Maybe you should be shopping at Zara. This Spanish chain is now one of the world’s fastest-growing retailers of affordable fashion clothing for women, men, and children, and a big reason behind their success is the fact that they listen to what their customers want. (Goal) Zara uses point-of-sale terminals to track every purchase in each of their 900 stores, and then uses that data to determine what kind of clothes to make and ship to their stores in the future. In other words, Zara doesn’t decide in advance whether to push short skirts or long skirts this season; they wait to see what the customer is buying.

The company describes their approach by saying that Zara “is in step with society, dressing the ideas, trends and tastes that society itself has developed.” Store managers also use a personal digital assistant to see what designs are available, and then place weekly orders for the items they think will sell best in their store. While other retailers claim to be responsive to customer demands, Zara adds some oomph to their boast. Most retailers have to order their inventory months in advance, but Zara is able to manufacture and ship replacement garments in two weeks, and create and deliver new garments with a fresh design in just five weeks. (When Madonna recently gave a series of concerts in Spain, fans appeared at her last show wearing a Zara copy of the outfit the pop star wore at her first show.) The company does this by employing 200 designers, including many recent graduates of top design schools, at their head office in northern Spain. Almost all of their merchandise is produced by several hundred sewing cooperatives in the home office area.

When the garments are done they are returned to Zara’s huge warehouses where they are checked, ironed, packaged, and sorted for immediate delivery by either truck or air. Even when an item is a hot seller, Zara produces its slightly updated replacements in relatively small lots. Veteran shoppers know that when they see something they like at Zara they’d better grab it, and they also know that only a limited number of shoppers will be able to buy an identical garment. Small batches mean that Zara’s inventory always looks new and fresh; the chain introduces about 11,000 different items each year, as compared to the 2,000 to 4,000 items annually introduced by competitors like Gap or H&M. Their lean and mean approach also means that Zara is rarely forced to discount garments, unlike other retailers at the end of a season.

While Zara’s approach is based on technology, it is actually the efficient use of relatively simple technology. The company also spends less than 0.3 percent of sales on advertising, while many of its competitors generally spend more than 3 percent. This containment of expenses also contributes to Zara’s success. In 2005, the Inditex group, which operates Zara and seven other similar concept soft-good chain stores (including Pull and Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Zara Home, and Kiddy’s Class), posted sales of 6.7 billion euros, equal to 8.6 billion dollars, an increase of 21 percent over its 2004 figures. Since opening its first Zara store in 1975, Inditex has grown to more than 2,800 stores in 64 countries, and the company hopes to expand to more than 4,000 stores over the next three years.

Questions

1. what do you think are the most important factors affecting Zara’s Sustainable Competitive Advantage,

2. What are the risks that Zara would have taken?

3. what conditions would make it more difficult if it comes to India??

(C.O.3.) [Comprehension]