

**Third Semester M.B.A., (Distance Mode) Degree Examination
June 2009**

**MBA DP 301: ENTREPRENEURSHIP DEVELOPMENT AND SMALL
BUSINESS MANAGEMENT**

Time : 3 Hours

Max. Marks : 75

SECTION - A (5X2=10)

1. Answer the following, within TWO or THREE sentences. Each question carries TWO marks.
- Define Small Scale Unit.
 - Distinguish between "Creativity" and "Innovation".
 - Define Entrepreneurship. Who is a Drone Entrepreneur?
 - Define sick unit. And what do you mean by BFIR?
 - Name different forms for organising small scale unit.

SECTION - B (5X6=30)

Answer any FIVE of the following. Each question carries SIX marks.

- What are the characteristics of a successful entrepreneur ?
- Discuss in detail women entrepreneurship environment in India.
- Identify the state level institutions supporting SSIs in India.
- What are the formalities for registering the SSI Unit ? Mention the benefits of registration.
- What are the symptoms to identify the sickness in the SSI sector ? Explain the causes of sickness in the SSI sector.
- What is Kakinada experiment ? Explain outcome of this experiment in detail.

SECTION - C (10+10+15=35)

Answer the following. Question No. 8 & 9 carry TEN marks and question No. 10 carries 15 marks.

8. a) Discuss theories of Entrepreneurship given by Schumpeter, Walker and Peter Drucker. And explain the role of Entrepreneurship in a developing economy.

OR

- b) Discuss in detail the major problems faced by entrepreneurs in India.

9. a) Draw a flowchart showing the formalities for starting a small business enterprise.

OR

- b) Explain the common marketing and financial problems faced by small scale industries.

10. Analyse the following case and answer the questions appended.

When Deepak Joshi was 17 years old, he 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 flavours and compositions. Using meagre 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 fund raising events and fun fairs, demand exceeded capacity, and Deepak found himself buying professional equipment, hiring helpers, and purchasing bulk supplies.

Looking back, Deepak recalled the obsession, the long hours, and the drive to learn about business. Deepak set about placing orders with local stores and developing contracts with dozens of schools, colleges, caterers, hotels and civic organisations. His business soon consumed his entire family and closest friends ; he registered the company and set up an ice cream parlour. During the first month, he had 18,000 orders, and by the time he graduated, Deepak was distributing specialty ice creams to retail stores in three States.

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 parlours which would complement his current ice cream manufacturing and distribution system. When he paused to think about his plans, he realised that to launch a regional or national chain would mean major changes in his organisation. He and his family could not handle all the responsibilities, and the nature of Deepak's ice cream business would change. Although the idea of pursuing a major business was exciting, Deepak would not help feeling apprehensive.

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 hi 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.

Case Questions

1. Identify the entrepreneurial characteristics of Deepak Joshi. How do they match the characteristics described for successful entrepreneurs?
2. Take a position regarding the decision facing Deepak on whether to expand into a chain of ice cream parlours.
3. Based on what you know about Deepak and what you believe his characteristics to be, would you say his success was due to luck or persistence ? Explain. How does luck play a role in any new venture?