



PG – 870

II Semester M.B.A. Degree Examination, July 2017
(CBCS Scheme)
MANAGEMENT

Paper – 2.3 : Entrepreneurship and Ethics

Time : 3 Hours

Max. Marks : 70

Instruction : Answer **all** Sections.

SECTION – A

Answer **any five** of the following questions. Each question carries **five** marks. (5×5=25)

1. "Entrepreneurs are not born, but made". Discuss.
2. How do small business estimate their financial requirements ?
3. Explain the social responsibilities of entrepreneurs.
4. What is franchising ? Explain the advantages of franchising.
5. Why do some business plans fail ? Explain.
6. Discuss the critical factors for new venture development.
7. What is code of conduct and how useful is it in promoting ethical behaviour ?

SECTION – B

Answer **any three** questions. Each question carries **ten** marks. (3×10=30)

8. Describe the predominance and contribution of new ventures in the economy.
9. Briefly describe each of the major segments to be covered in a business plan.
10. Identify and discuss the legal forms available for entrepreneurs structuring their ventures.
11. Explain the goals of Business ethics. What are pros and cons of business ethics ?

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SECTION - C

Case study : Compulsory.

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12. Jane's Evaluation :

Paul Medwick is a commercial banker. In the past month he has received loan applications from three entrepreneurs. All three have fledgling businesses with strong potential. However, Paul believes it is important to look at more than just the business itself; the individual also needs close scrutiny.

The three entrepreneurs are (1) Robin Wood, owner of a small delicatessen located in the heart of a thriving business district ; 2) Richard Trumpe, owner of a ten-minute oil-change-and-lube operation ; and 3) Phil Hartack, owner of a bookstore that specializes in best sellers and cookbooks. Paul has had the bank's outside consultant, Professor Jane Jackson, interview each of the three entrepreneurs. Jane has done a lot of work with entrepreneurs and after a couple of hours of discussion is usually able to evaluate a person's entrepreneurial qualities. In the past Jane has recommended 87 people for loans and only two of these ventures have failed. This success rate is much higher than that for commercial loans in general. Here is Jane's evaluation of the three people whom she interviewed.

CHARACTERISTIC	ROBIN WOOD	RICHARD TRUMPE	PHIL HARTACK
Perseverance	H	M	M
Drive to achieve	M	H	M
Initiative	M	H	M
Persistent problem solving	M	M	H
Tolerance for ambiguity	L	M	H
Integrity and reliability	H	M	H
Tolerance for failure	H	H	H



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Creativity and innovativeness	M	H	M
Self-confidence	H	H	H
Independence	H	H	H

H = High

M = Medium

L = Low.

Questions :

- 1) Which of the three applicants do you think comes closest to having the mind-set of an ideal entrepreneur ? Why ?
 - 2) To which applicant would you recommend that the bank lend money ? (Assume each has asked for a loan of \$ 50,000). Defend your answer.
 - 3) Can these three entrepreneurs do anything to improve their entrepreneurial profile and their chances for success ? Be specific in your answer.
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