

PG – 595

II Semester M.B.A. Degree Examination, July 2018

(CBCS Scheme)

MANAGEMENT

2.3 : Entrepreneurship and Ethics

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any five** questions from the following. Each question carries 5 marks.

(5×5=25)

1. Describe in brief essential characteristics of entrepreneurs.
2. What is the essential difference between creativity and innovation ?
3. Outline the sources of new ideas.
4. Briefly describe the main reasons for failure of new ventures.
5. With a suitable example explain franchising as entrepreneurial activity.
6. Define sole proprietorships. How does it differ from partnerships firm ?
7. Discuss in brief the following terms :
 - a) Business plan
 - b) Angel investor
 - c) Risk-taking ability.

SECTION – B

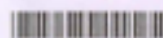
Answer **any three** questions from the following. Each question carries 10 marks.

(3×10=30)

8. Define entrepreneurship. With suitable examples discuss the opportunities available in India for setting up and start-ups new ventures and businesses.
9. What are the various sections of a business plan ? With suitable examples develop a business plan for a small start-up in India.
10. Write a descriptive essay on feasibility analysis and opportunity assessment with suitable examples.
11. Why is social entrepreneurship important in India ? With a suitable example describe social entrepreneurship in practice in India.

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SECTION – C

12. Compulsory case study :

(1×15=15)

Inaaya has just completed the MBA from a Reputed Management Institute and has been offered a job in an MNC with an attractive salary package. However, she has been in a dilemma as to whether to accept the offer or to start a venture on her own. It has been a dream from childhood to start a business and become a successful business women. However, organising the capital, running around for getting various mandatory clearances and arranging finances have been an area of concern for her whenever she thought of setting up a business on her own. Her parents have been advising her to accept the job as it offers the comfort of a secure job with no major uncertainties. There were suggestions that the pressure of handling a business on her own will be high and being a lady she would find it tough to move on. However, she has been feeling from the day of her campus interview that she has been detained to do bigger things in life.

She had consulted some of her professors and visited some successful business women. After much deliberations and thought, she decided not to accept the job offer and instead planned a business venture on her own. She decided to start a mini cafe with the USP of traditional and homely taste. Most of the recipe were decided by her grand mother. The cafe which started as a small outlet with no seating capacity became popular within a span of time. She was very particular in maintaining the quality and taste of the products since, it was guided by her grandmother, the traditional taste could be maintained. The fact that they prepare the items at home, the incidental cost due to intermediaries could be saved. Thus she could maintain the quality and price.

Soon the business became a success. However, many people in the vicinity got inspired with the idea and started trying the same business model. This led to stiff competition. She has realised that the profits from the business decreasing due to reduced volume of sales. She is now in a pricing dilemma as to whether to increase the price of products at the risk of losing some customers to her competitors who may sell it cheaper or to keep the price steady at the risk of incurring losses.

- Does Inaaya possess the major qualities that are required to become a successful entrepreneur ? Explain.
- What strategies should Inaaya adopt to sustain her business in the market in the light of the stiff competition she started to face.