

Code: 14E00303

MBA III Semester Regular Examinations January 2016

**ENTREPRENEURSHIP DEVELOPMENT**

(For students admitted in 2014 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

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**SECTION – A**

Answer the following: (05 X 10 = 50 Marks)

- 1 Give some examples of the sources of strength of the entrepreneurial movement in different countries.
- OR**
- 2 Identify some of the advantages and disadvantages of being an entrepreneur. Which advantage would be the most important to you? Which disadvantage do you feel is the greatest obstacle?
- 3 What are the advantages of having a partnership as opposed to a single proprietorship management structure?
- OR**
- 4 What are the initiatives by the government of India in promoting entrepreneurial movement in the country? Discuss particularly in terms of grants and subsidies extended to these ventures.
- 5 What is project management? How project management skills will help an entrepreneur?
- OR**
- 6 Prepare a draft project report to be submitted to a venture capital in starting a green electrical bulb project..
- 7 What is the difference between the low-entry strategy and the delayed-entry strategy? Which do you believe is best? Why?
- OR**
- 8 Do you think, it is possible for a small business to grow quickly and still retain the family atmosphere? Why or why not?
- 9 List possible reasons why women-owned businesses are smaller than the average business owned by men.
- OR**
- 10 Identify the advantages and disadvantages that should be considered when starting a home-based business.

**SECTION – B**

(Compulsory Question)

01 X 10 = 10 Marks

**11 Case study:**

Anita Roddick started the body shop in Brighton, England, in 1976. The company was established to sell cosmetics and lotions that were environmental friendly and were not tested on animals. The company caught the 1980s wave of the growing awareness of ecology and the company grew at a phenomenal rate.

The rapid growth has not been without problems. Many competitors entered the market after seeing the success of the body shop. The body shop, which has always relied on publicity instead of advertising, may now need to change its promotional strategy. In addition, stockholders are not always happy with the company's philosophy of doing good instead of concentrating on profits. Finally, personnel issues have surfaced and the company lost a husband and wife team that was responsible for developing one of the body shop's most successful product lines. Amid all of these problems, Anita admits that running a large, bureaucratic company is like death.

The most common criticism is that the company lacked a plan for the future and had no clear sense of direction in its marketing. By the end of the decade, the company was dramatically restructured, manufacturing was divested, and Roddick took a back seat as a new CEO was brought in. However, Christmas sales in the year 2000 were poor and in the early part of 2001, the company showed a decline in sales when compared to the previous year.

Questions:

- (a) In what ways is the body shop experiencing problems similar to those of many rapidly growing companies.
- (b) If you were hired as a consultant which problem would you consider most critical.
- (c) In what ways could the company innovate radically? Identify some adventurous directions the company might consider.
- (d) Why are sales in the United States not increasing when sales in other countries are improving?
- (e) What should the body shop do in the United States?