

# QB365 Question Bank Software Study Materials

## Elements of Entrepreneurship Important 2,3 & 5 Marks Questions With Answers (Book Back and Creative)

12th Standard

Commerce

Total Marks : 74

### 2 Marks

10 x 2 = 20

- 1) Mention any two characteristics of entrepreneurs

**Answer :** (i) Spirit of Enterprise,  
(ii) Self confidence,  
(iii) Flexibility,  
(iv) Innovation.

- 2) List down the managerial functions of entrepreneurs. (any 2)

**Answer :** (i) Planning  
(ii) Organising  
(iii) Directing  
(iv) Controlling  
(v) Co-ordination

- 3) List down the promotional functions of entrepreneurs. (any 2)

**Answer :** (i) Discovery of idea  
(ii) Determining the business objectives  
(iii) Detailed investigation  
(iv) Choice of form of enterprise

- 4) List the challenges faced by the women entrepreneurs.(any 2)

**Answer :** (i) Problem of finance  
(ii) Limited mobility  
(iii) Lack of Education  
(iv) Lack of Network support

- 5) What is meant by Intrapreneur

**Answer :** Intrapreneur is one who thinks and acts like an entrepreneur for the firms development during the course of employment in an organisation.

- 6) What do you mean by entrepreneurship?

**Answer :** Entrepreneurship generates employment opportunities to many people besides providing self-employment to the entrepreneur. Any business venture started triggers a variety of economic activities like purchasing raw material, creating employment opportunities and so on.

- 7) Definition of women entrepreneurs.

**Answer :** According to Schumpeter's concept, "Women who innovate, imitate or adopt a business activity are known as women entrepreneurs".

- 8) What is Analytical Ability?

**Answer :** Entrepreneur should be able to objectively analyse the situation and act accordingly.

- 9) What do you mean by Leadership?

**Answer :** Entrepreneur should lead others from the front and by personal example and should walk the talk and effectively

take all the followers to activate the goals of the venture.

- 10) Mention any two features of entrepreneurs.

**Answer :** (i) Entrepreneur as a Risk Bearer  
(ii) Entrepreneur as an Organiser.

**3 Marks**

8 x 3 = 24

- 11) Distinguish between entrepreneur and Manager. (any 3)

**Answer :**

<b>BASIS OF DIFFERENCE</b>	<b>ENTREPRENEUR</b>	<b>MANAGER</b>
Motive	The very motive of an entrepreneur is to start a venture by setting of an entity.	The very motive of manager is to render service in an entity setup for execution of venture.
Status	Entrepreneur is owner of the entity.	Manager is a salaried employee in the entity set up for carrying on the venture.
Risk Bearing	Entrepreneur bears the eventual risk and uncertainty in operating the enterprise	Manager doesn't bear any risk in the venture where the venture is unsuccessful he/ she simply quits the enterprise.

- 12) List down the commercial functions of Entrepreneur and explain them shortly.(any 3)

**Answer :** The commercial functions of entrepreneurs are :

- (i) Production or Manufacturing
- (ii) Marketing
- (iii) Accounting
- (iv) Finance
- (v) Human Resource Management

**(i) Production or Manufacturing:** Under production function, entrepreneur has to take decision relating to selection of factory site, design and layout, type of products to be manufactured, research and development, product design etc.

**Marketing :** Entrepreneur has to carry out following functions pertaining to marketing aspect namely consumer research, product planning and development, standardisation, packaging, pricing, warehousing, distribution, promotion etc.

**(ii) Accounting :**Entrepreneur has to arrange (v) to prepare trading and profit and loss account in order to know the profit or loss incurred out of operation of the business and prepare balance sheet to know the financial status of business at a particular day.

**(iv) Finance :** In the sphere of financial function, an entrepreneur has to take decisions like choosing the right type of financing,framing thebest dividend policy, acquiring of funds, efficiently managing fixed and current assets, maximising shareholders wealth and investing offunds efficiently and effectively.

**Human Resource Management:** Entrepreneur has to estimate the manpower needs of the enterprise and accordingly decide the size of manpower required for various slots oforganisational structure.After determining the required man power the entrepreneur has to organise the performance of following functions pertaining to human resources namely arranging for. recruitment, selecting manpower, induction and training, determining compensation structure and incentives, designing motivation programmes, structuring well being measures for employees, putting in place safety mechanism at work place, performance evaluation and career advancement and structuring social security programmers.

- 13) Explain the promotional functions of entrepreneur.(any 3)

**Answer :** Promotional functions of entrepreneur

**(i) Discovery of Idea :** The first and foremost function of entrepreneur is idea generation. Ideas can be generated through several ways like own experience and exposure of entrepreneur, keen observation of environment, education, training, market survey, environmental scanning and so on.

**(ii) Detailed Investigation:** Entrepreneur has to analyse in detail the product proposes to produce.

**(iv) Choice of form of enterprise:** Entrepreneur has to choose the appropriate form of organisation suited to implement the venture. There are various forms of organisation namely sole proprietor, partnership, company and co-operatives etc.

**(iv) Preparation of Business Plan:** Entrepreneur has to prepare a business plan or project report of the venture that he is proposing to take up.

**(v) Mobilisation of Funds:** Entrepreneur has to take steps to mobilize capital needed to implement the venture. Entrepreneur has to estimate the fixed capital and working capital required for running the project.

14) Define Entrepreneur.

**Answer :** According to J.A. Schumpeter Joseph A. Schumpeter, "Entrepreneurship is essentially a creative activity. It consists of doing such things as are generally not done in ordinary course of business. An entrepreneur is one who innovates, i.e. carries out new combination or enterprise".

15) What are the functions of CWEL?

**Answer :** A consortium of Women Entrepreneur of India (CWEL) are rendering the following functions:

(i) They are acting as a springboard for enterprises started by the women.

(ii) It is helping women achieve high economic empowerment.

(iii) It is acting as a catalyst to improve the access of womenfolk to natural resources.

(iv) It is providing technological support in the sphere of product design and development in the case of women-owned enterprises.

(v) It is providing quality control, marketing and technological supports to women-owned enterprises.

(vi) It is spreading knowledge to women entrepreneurs about various government schemes.

16) List out the Importance of Entrepreneurship.

**Answer :** 1. Innovation

2. Contribution to Gross Domestic Product (GDP)

3. Balanced Regional Development

4. Export Promotion

5. Full utilisation of Latent Resource

6. Reduction of Concentration of Economic Power in Few hands

7. Better Standard of Living.

17) Explain - Entrepreneur as a Risk Bearer.

**Answer :** (i) The entrepreneur to be a person who assumes risk inherent in the venture started by him.

(ii) Entrepreneur acts as an agent combining all factors of production to produce a product or service in order to sell at uncertain price in future.

18) Describe Entrepreneur as an Innovator.

**Answer :** (i) Introduces a brand new product in the market

(ii) Institutes new technology to produce a product

(iii) Discovers new source of supply of raw materials

(iv) Discovers new product hitherto untapped

(v) puts in place a new form of organisation by establishing a monopoly or by dismantling existing monopoly.

**5 Marks**

6 x 5 = 30

19) What are the characteristics of an entrepreneur?(any 5)

**Answer :** Characteristics of Entrepreneur.

**1. Spirit of Enterprise :**

Entrepreneur should be bold enough to encounter risk arising from the venture undertaken. Entrepreneur should not get discouraged by setbacks or frustrations emerging during the course of entrepreneurial journey.

**2. Self Confidence :**

Entrepreneur should have a self confidence in order to achieve high goals in the business. The negativities like inconvenience, discomfort, disappointments, rejections, frustrations and so on should not weaken his steely resolve to make the venture a grand success.

**3. Flexibility:**

Entrepreneur should not doggedly stick to decisions in a rigid fashion. Entrepreneur should change the decisions made already in the light of ever-changing business environment.

**4. Innovation:**

Entrepreneur should contribute something new or something unique to meet the changing requirements of customers namely new product, new method of production or distribution, adding new features to the existing product, uncovering a new territory for business, innovating new raw material etc.

**Resource Mobilisation :**

Entrepreneur should have the capability to mobilise both tangible inputs like manpower, money materials, technology, market, method etc. Which are scattered over a wide area and certain intangible inputs like motivation, morale and innovativeness cannot be purchased in the market outright.

**(vi) Hard work :**

Entrepreneur should put in strenuous efforts and constant endeavours to accomplish the goals of the venture successfully. They have to courageously face uncertainties, risks and constraints.

20) Distinguish between an Entrepreneur and an Intrapreneur.(any 5)

**Answer :**

BASIS	ENTREPRENEUR	INTRAPRENEUR
Thinking	Entrepreneur is a free thinker	Intrapreneur is forced to think independently but within scope of business activities undertaken in the enterprise.
Dependency	Entrepreneur is an independent person	Intrapreneur is dependent on the entrepreneur. He is an employee.
Fund Mobilization	Entrepreneur has to mobilize funds to finance the venture.	Intrapreneur does not engage in fund mobilization. But can access funds mobilized by the entrepreneur.
Reward	Entrepreneur is rewarded by profit for the risk bearing exercise.	Intrapreneur does not share in profits of venture. But gets perquisites, salary, incentives, etc., for the service.
Risk Bearing	Entrepreneur bears the risk involved in the venture undertaken.	Intrapreneur does not bear any risk in the venture and does not even share the risk inherent in the project or work assigned. However Intrapreneur is accountable for the task or project assigned.
Status	Entrepreneur is owner, and doesn't report to anybody in the venture.	Intrapreneur is a salaried employee.
Operation	Entrepreneur operates mostly outside the enterprise.	Intrapreneur operates within the enterprise.

21) Discuss the challenges faced by Women Entrepreneurs.(any 5)

**Answer :** Challenges faced by women Entrepreneurs

**(i) Problem of Finance:**

- (1) The access of women to external sources of funds is limited as they do not generally own properties in their own name.
- (2) Because of the limited funds, women entrepreneurs are not able to effectively and efficiently run and expand their business.

**(ii)Limited Mobility:**

- (1) Indian women cannot afford to shed their household responsibilities towards their family even after they plunge into the venture started by them.
- (2) This restricts the mobility of women entrepreneur significantly.

**(iii) ) Lack of Education :**

Illiterate and semi-literate women entrepreneurs encounter a lot of challenges in their entrepreneurial journey with respect to maintaining accounts, understanding money matters, day-to-day operations of the company, marketing the products, applying technology etc.,

- (2) This reduces the efficiency of operating the business successfully.

**(iv) Lack of Network Support:**

The successful operation of any venture irrespective of the size depends upon the network of support extended by various constituencies like family members, friends, relatives, acquaintances, neighbours, institutions and so on.

- (2) But it is reported that women entrepreneurs get very limited support in times of crisis from most of these constituencies.

**(v)Self Competition:**

- (1) Women entrepreneurs have to face acute competition for their goods from organised sector and from their male counterparts.
- (2) Since, they are not able to spend liberally due to financial constraints, they are not able to compete effectively and efficiently in the market.

**(vi) Lack of Information:**

Women entrepreneurs are reported not to be generally aware of subsidies and incentives available for them due to their poor literacy levels or due to their pre-occupation with household responsibilities.

- 22) What are the differences between salaried employment and self-employment?

**Answer :**

<b>DIMENSION</b>	<b>SALARIED EMPLOYMENT</b>	<b>SELF EMPLOYMENT</b>
Income	Dependable and probably higher income during the initial stages but limited by promotion opportunities	The fluctuation of income depending upon economic conditions and endeavors of the entrepreneur
Working Hours	Fixed Working Hours	Absolute freedom in choosing the working time.
Job Security	Fixed tenure jobs in respect of public sector appointments and absolute unstable job in private sector appointments.	Stable job till the business is solvent
Financial Risk	There is no financial risk in salaried employment as the employee does not invest in the capital of the employer organization	There is high degree of risk of losing the investment due to continuous loss.
Personal Satisfaction	An employee may derive job satisfaction	Owner derives a sense of personal satisfaction
Responsibility	The size of responsibility increases as an employee moves up the organizational ladder.	The size of responsibility is always higher for various stakeholders.

23) What are Opportunities created by the Government for Women Entrepreneurs?

**Answer :** Government both Union and Central have put in a number of schemes exclusively for promotion of women entrepreneurship namely:

- (i) Stand-Up India Scheme for Women Entrepreneurs
- (ii) Trade related Entrepreneurship Assistance and Development (TREAD) Scheme for Women
- (iii) Mahila Coir Yojana
- (iv) Mahila E-haat
- (v) Magalir Udavi Scheme
- (vi) Prime Minister's RozgarYojana (PMRY)
- (vii) Development of Women and Children in Rural India (DWCRA)
- (viii) Mudra Yojana Scheme for Women
- (ix) Udyogini Scheme
- (x) TRYCEM

24) What are Opportunities for Women Entrepreneurs?

**Answer :** (i) Opportunities Based on Business : Women entrepreneurs are bestowed with numerous business opportunities depending upon their area, choice of industry, capacity to invest, technical and non-technical skills etc.

(ii) Financial Opportunities : All Banks in India provide financial support to the women Entrepreneur, in the form of micro small loans to buy Raw Materials and Equipments.

(iii) Non-Financial Support : Non-financial support in the form of: Putting in Policies, regulations and legal structures suitable to women entrepreneurs, Financial counselling and training, Business advisory service and etc.,

(iv) Opportunities Created by Association : There are various associations like Self Help Groups (SHG), Federation of Indian Women Entrepreneurs (FIWE), Women's India Trust (WIT), Tamilnadu Corporation for Development of Women Ltd. (TNCDW) are aggressively promoting women entrepreneurship in India.

Similarly, MSE cluster development programme bear a substantial portion of the project cost in respect of ventures owned and managed by women entrepreneurs.

The percentage of guarantee given by Credit Guarantee Fund Scheme for Micro and Small Enterprises extend upto 80% for MSEs owned and operated by women.

(v) Opportunities Created by Government : Government both Union and Central have put in a number of schemes exclusively for promotion of women entrepreneurship namely

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4. Mahila Coir Yojana
5. Mahila E-haat
6. Magalir Udavi Scheme
7. Prime Minister's Rozgar Yojana (PMRY)

(vi) Opportunities Created through Training Programme : Government of India has introduced National Skill Development Policy and National Skill Development Mission in 2009 in order to provide skill training, vocational education and entrepreneurship development to the emerging work force. The following training schemes are being implemented for promoting self employment of women by Government of India.

1. Support for Training and Employment Programme of Women (STEP)
2. Development of Women and Children in Rural Areas (DWCRA)
3. Small Industry Service Institutes

(vii) Consortium of Women Entrepreneurs of India (CWEI) : Consortium of Women Entrepreneurs of India (CWEI) was registered as a civil society in the year 1996 which is a non-profit organisation in New Delhi. It is a member of National Board, Ministry of MSME and is working closely with Ministry of Rural Development in the Public Private Partnership to support below poverty line families in India