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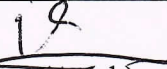### www.klsvdit.edu.in | principal@klsvdit.edu.in | hodece@klsvdit.edu.in

DEPARTMENT OF ELECTRONICS AND COMMUNICATION ENGINEERING

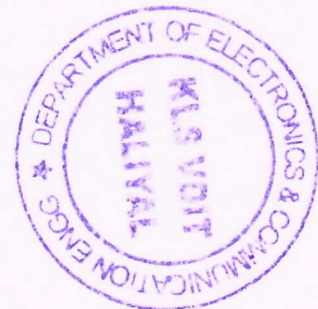# University / Model Question Paper
Scheme & Solution

Faculty Name	:	PLASIN FRANCIS DIAS.
Course Name	:	TIME - Technological Innovation, Management & Entrepreneurship.
Course Code	:	21EC61
Year of Question Paper	:	Model QP - 2024
Date of Submission	:	5·08·2024

Faculty Member   HoD   Dean (Acad.)

Model Question Paper

CBCS SCHEME

Sixth Semester B.E Degree Examination

TECHNOLOGICAL INNOVATION MANAGEMENT AND ENTREPRENEURSHIP (21EI61/21BM61/21EC61)

TIME: 03 Hours   **Max.Marks:100**

Note:

*1. Answer any **FIVE** full questions, choosing at least **ONE** question from each **MODULE***
2. M: Marks, L: Bloom's level, C: Course outcomes.

			Module - 1	M	L	C
Q.1	a		Explain the various roles of manager.	5	L2	CO1
	b		Differentiate between administration and management.	7	L2	CO1
	c		List and explain the various steps in planning.	8	L2	CO1
			OR			
Q.2	a		Explain the different levels of management and skills required.	5	L2	CO1
	b		Analyze management as science and also as an art.	7	L2	CO1
	c		Briefly explain the various steps in decision making process.	8	L2	CO1
			Module – 2			
Q.3	a		Explain the various steps involved in selection process.	10	L2	CO2
	b		Explain Maslow's hierarchy theory.	10	L2	CO2
			OR			
Q.4	a		Explain the advantages and disadvantages of committees in an organization.	10	L2	CO2
	b		What is direction in an organization? Explain any five techniques of co-ordination.	10	L2	CO2

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		Module – 3			
Q5	a	Illustrate the social responsibilities of business towards different groups .	10	L2	CO3
	b	List out the advantages of Corporate governance.	10	L3	CO3
		OR			
Q.6	a	Explain the essentials of an effective control system.	10	L2	CO3
	b	Explain in detail the steps in a control process.	10	L3	CO3
		Module – 4			
Q.7	a	Explain any four characteristics of a successful entrepreneurship .	10	L2	CO4
	b	Summarize the capacity building for entrepreneurship.	10	L2	CO4
		OR			
Q.8	a	Discuss about the business opportunities in India.	10	L2	CO4
	b	Write a short note on Mobility of Entrepreneurs.	10	L3	CO4
		Module – 5			
Q.9	a	Explain the procedure for setting up an enterprise.	10	L2	CO5
	b	Write a short note on Why do some business plan fail.	10	L3	CO5
		OR			
Q.10	a	Explain about the Non-governmental organizations.	10	L3	CO5
	b	Write a note on (i)SIADB (ii)NABARD	10	L2	CO5

1 a The various roles of Manager:

According to Henry Mintzberg, manager plays different roles

1) Interpersonal Roles

a) Figurehead: In this role every manager has to perform duties of ceremonial nature, such as greeting visiting dignitarie attending the wedding of an employee, taking an important customer to lunch and so on.

b) Leader: As a leader every manager motivate and encourage his employees. He must also try to reconsile their individual needs with the goals of the organization

c) Liasion: In this role of liasion every manager must cultivate contacts outside his vertical chain of command to collect information useful for his organization.

2) Informational Roles:

i) Monitor: The manager has to scan his environment for information, integrate his liasion contact and his employs.

ii) Disseminator: The manager passes some of his privileged information directly to his key subordinates.

iii) Spokesman: Manager communicates the information, goals of organization to his staff and progress of work to his superiors.

He also communicates performance of company to shareholder and the rules and responsibilities to his subordinates.

3) Decisional Roles:

i) Entrepreneur: Manager proactively looks out for innovation to improve his organization.

ii) Disturbance Handler: Manager must seek solution for various unanticipated problems like a strike may
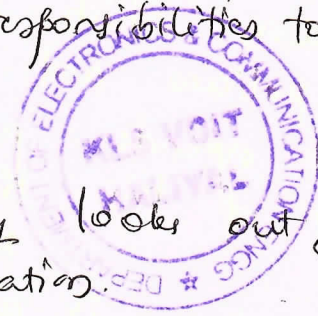
loom large, a major customer may go bankrupt, a supplier may renege on his contract & so on.

iii) Resource allocator : The manager must divide work and delegate authority among his subordinates. He must decide who will get what?

iv) Negotiator: The manager at all levels has to spend considerable time in negotiation. Manager negotiates with the employees and tries to resolve any internal problem like trade agreements, strikes and grievances of employees.
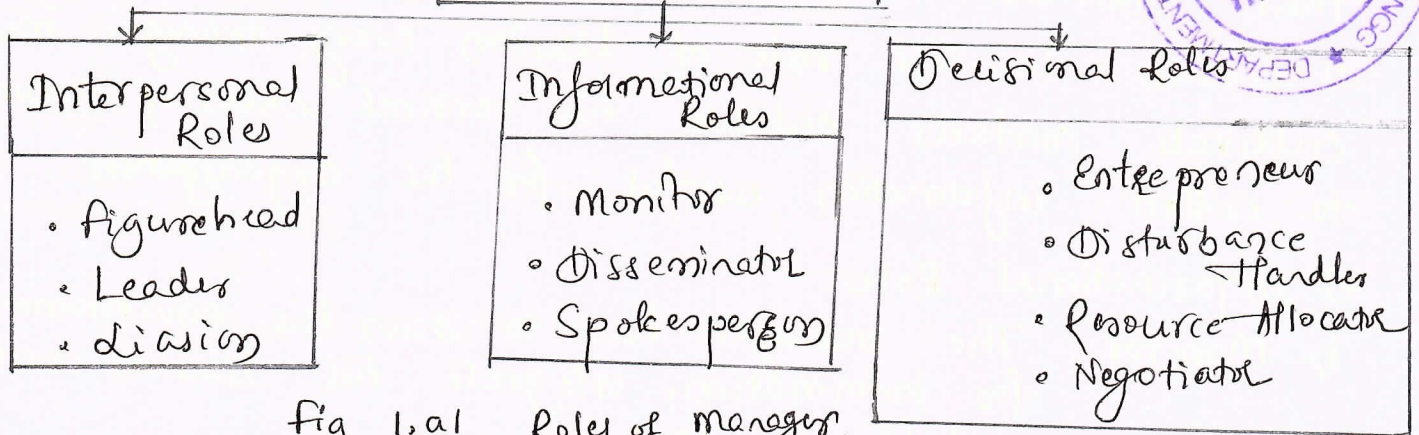
Roles of Manager		
Interpersonal Roles	**Informational Roles**	**Decisional Roles**
• Figurehead • Leader • Liasion	• Monitor • Disseminator • Spokesperson	• Entrepreneur • Disturbance Handler • Resource Allocator • Negotiator

fig 1.a1 Roles of manager.

1 b. Differentiation between administration and management.

According to Sheldon, Spriegal and Milward, administration function which involves "thinking". It is a top level centres around the determination of play, policies and objectives of a business enterprise.

Management involves "doing". It is lower level function which is concerned with the execution and direction of policies and operations. Manager performs both activities and spends part of his time in administering and part of his time in managing.

Management can be divided into two categories. i) administrative management ii) Operative management.

Characteristic	Administration	Management
1. Main function	Planning, organising and staffing	Leading, motivating and Controlling
2. Status	Acts as Owner	Acts as agency
3. Skills	Requires good administrative skill	Requires more Technical skill.
4. Levels in the organisation	Top Level	Lower level
5. Position	Managing director Owners, CEO	Manager, Supervisors, foreman etc.
6. Objectives	Makes the policies Objectives and goals to be achieved.	Implements the plans and policies.
7. Involvement	No direct involvement in production or services.	Directly involves in the execution of plans and achieving goals.

fig 1.b1 Administration and management

Board of Directors

President

General manager

Works manager

foreman
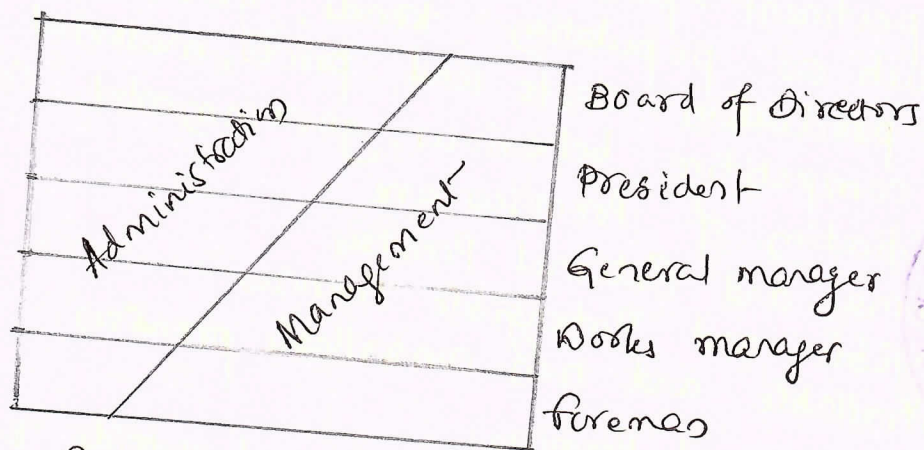
fig 1.b2 Time spent in Administrative and managerial function

The various steps in Planning:

1. Establishing Verifiable Goals or Set of Goals to be Achieved.
2. Establishing Planning Premises.
3. Deciding the Planning Period.
4. finding Alternative Courses of Action.

5. Evaluating and selecting a course of action
6. Developing Derivative Plans.
7. Establishing and Deploying Action Plan
8. Measuring and Controlling the Progress.

1. Establishing verifiable goals:
   - first step is to determine the enterprise objectives.
   - Set by upper level or top managers.
   - Objectives are desired sales volume or growth rate, development of new product or service, becoming more active in community.
   - Goals depend on a factors such as basic mission of organisation, values its managers hold, actual & potential abilities of the organisation.

2. Establishing Planning Premises:
   - Plans are made to operate in the future.
   - Certain assumptions about the future on the basis of which the plan will be formulated.
   - Supplies pertinent facts and information relating to the future such as population trends, general economic conditions, production costs and prices, material availability, probable competitive behaviour, governmental control.

   Classification of Premises are
   1. Internal and External Premises
   2. Tangible and Intangible Premises
   3. Controllable and non controllable premises.

1. Internal & External Premises:
   - Premises exist within and outside the company.
   - Internal premises include sales forecasts, policies and programmes of the organisation, capital investment in plant and equipment.
   - External premises are business environment, factors which influence the demand for products of the enterprise, factors which affect the resources available to the enterprise.

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External premises include,
- General Business & Economic Environment
- Technological changes
- Government policies & regulation
- Population growth
- Political stability
- Sociological factors
- Demand for industry's product.

Tangible and Intangible premises:
- Tangible premises can be quantitatively measured while intangible premises are qualitative in character, cannot be measured.

Tangible premises: Population growth, industry demand, capital & resources invested in the organisation

Intangible premises: Political stability, sociological factors attitudes, business & economic environment, philosophies, owner of organisation.

Controllable and non Controllable premises.

Controllable factors are those which can be controlled and normally cannot upset well throughout calculations of the organisational plan. Uncontrollable factors are strikes, wars, natural calamities, emergency, legislation.

3. Deciding the Planning Period:

Businesses vary planning periods. Plans are made for a year only, while in others they span decades. Factors which affect the choice of the period are,
i) lead time in development and commercialisation of a new product : 5 years, 1 or 2 years. Production, sales
ii) time required to recover capital investment or the pay back period. : 5 years, depends on investment.
iii) length of commitments already made.
- Long enough to fulfilment of commitments.

4. finding Alternative Courses of Action
- Engaging a foreign technician, training staff abroad.

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5. Evaluating and selecting a course of Action
   - It is done with the help of quantitative techniques and operation research.

6. Developing Derivative Plan:
   - Middle and lower level managers must draw up the appropriate plans for their sub units. These plans are derived from basic plans and not prepared independently. Types of personnel, purchase of spare parts, development of maintenance facilities, scheduling, advertising, financing and insurance are derivative plan.

7. Establishing and Deploying Action Plans:
   - Action represent the "lowest level of Execution" Action plan identifies particular activities necessary for the purpose & specifies the who, what, when, where and how of each action item.

8. Measuring and Controlling the progress.
   - Managers need to check the progress of their plan, so that they can take whatever remedial action is necessary to make the plan work (ii) change the original plan if it is unrealistic.

2 a. Different levels of management and skills required,

In an organization, there are certain levels defined by the management, where in each level is confined with its nature and activities involved, the levels of management can be classified in three broad categories.

- Top Level / Administrative level
- Middle Level / Executor Level.
- Low level / supervisory / operative / first line manager.

Different levels has different work area and function.

Top Level: Executive, Coaching, Change management, Leadership, delegation & Empowerment etc.

Top management consisting of board chairmen, company presidents, executive vice presidents, that is the men who co-ordinate all the specialities and make policies for the company as a whole.

Top management determines objectives and policies
- Designs the basic operating and financial structure of organization.
- Provides guidance and direction.
- Lays down standard of performance
- Maintain good public relation.

Middle management: A vast and diverse group that includes sales managers, plant managers, personnel managers and many other department heads.
- Interprets and explains the policies framed by top.
- Issues detailed instruction.
- Participates in operating decision
- Train other manager.

Lower Management:

The lower or first line management group is made up of foremen and white collar supervisors, men and women who are only one step above the rank and file.

- Plans day to day operation
- Assign jobs to workers.
- Provides supervision and control over work.
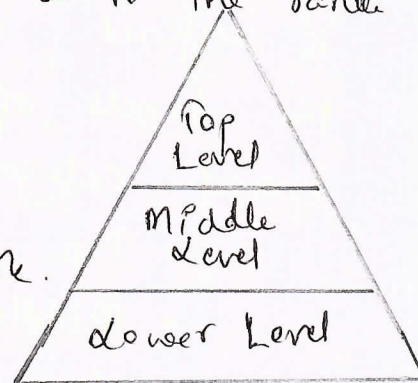- Arranges materials tools & Equipment.
- Maintains disciplines.

fig 2.a1 Levels of Management

Action	Top level management	Middle level management	Lower level management
Focus	Small group of policy makers deciding the fate of organization	Act as a liasion between top & lower level people & manage activities of other managers.	These managers are in direct contact with employees.
Representation	Chief Executive officer, President Chairman, managing Director etc.	Functional Head marketing manager Personnel manager & immediate subordinates.	Section head, supervisor first line Manager etc.
Nature of Work	They generally spend most of their time with peers, outsiders and to a lesser extent subordinates A top managers schedule is typically hecticless	Middle level managers as compared to supervisor are far len physically active and far more involved in paper work and meeting Their job is hectic, more reflective & more frustrating	Low level management are physically active. • Experience & frequent interruption. • Peer caring.

2b. Management as Science and as an Art.

Art is concerned with application of skill and continuous effort for achieving certain goals. Art involves practical knowledge, regular practise and creativity. It is a result oriented approach. Management has to apply skill and knowledge in dealing with various situations in order to achieve desired goals. It is a creative art as it involves getting things done through others by motivating them and co-ordinating their efforts. Management is result oriented and has continous applicability. In this sense management is Art.

The manager has to constantly analyze the existing situation, determine the objectives, seek alternatives, implement, co-ordinate, control and evaluate information and make decisions. He has the skill (art) of applying such principles and body of knowledge to his special problem. knowledge of management theory and principles is indeed a valuable aid and kit of the manager, but it cannot replace his other managerial skill and qualities. This knowledge has to be applied and practised by manager just as medical or legal practicioners.

management is an art. It is like the art of a musician or art of painter who seeks to achieve the desired effect with colour or instruments, but mainly with his own skill of comprising his vision, knowledge of craft and successful communication. Art is concerned with understanding of how a particular work can be accomplished. management in the sense is more as art.

Science is a systematized body of knowledge which establishes relationship between cause and effort. Management is systematized body of knowledge acquired and developed by mankind through observation and experimentation, capable of verification. Management and its activities are, in a way a science as it involves the use of systematized principle and philosophies developed by management thinkers and scientists over the years. Also like science, management too has universal application. Though it is not pure science like physics or chemistry but it may be called behavioral science as it mostly deals with human behaviour.

The attempt to gain knowledge must be without taint of personal or other prejudgement. Further the inquiry must be empirical and not merely an armchair speculation or priori approach. Management is also a science. It is used to denote two types of systematic knowledge – natural or exact and behavioural or inexact.

Thus, management is both art well as science. It may not be proper to term it as pure science or pure art. Management principles are applied as per the requirements of various situation. So it is a combination of both science and art.

2 c. The various steps in decision making process.
   1. Recognising the problem
   2. Deciding priorities among problems.
   3. Diagnosing the problem
   4. Developing alternative solution or courses of action.
   5. Measuring and comparing the consequences of alternative solutions,
   6. Converting the decision into effective action

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1) Recognising the Problem:

. Search the environment for the existence of a problem. A problem exists if any of the following condition occur.

i) When there is a deviation from past experience.
   Ex: This year sales are falling behind last year's.

(ii) When there is a deviation from the plan.
   Ex: Profit Levels are lower than anticipated, a department is exceeding its budget, a project is off schedule.

iii) When other people bring problem to the manager.
   Ex: Customers may complain about late delivaries. Lower level manager may complain about the high performance standard.

iv) When competitors perform the manager's organisation.
   Ex: Other companies might develop new processes or improvements in operating procedures.

2) Deciding Priorities among Problem:
   A manager should not allow himself to be bogged down by all sorts of problems. He should set a sequence for them on the basis of strategic considerations. Some problem are addressed by subordinates, not by managers. Some problem need to be referred upward, because they affects other departments or require information available only at a higher level.
   At Toyota, a Pareto analysis is done to prioritise a number of different problem. The Pareto diagram uses bar graphs to sort problem according to severity, frequency, nature or source and displays them in order of size to show, which problem are the most important.

3) Diagnosing the Problem: In business, in order to
X distinguish between symptoms and sources of trouble

every problem should be correctly diagnosed.

For Ex: If the sales decline, a management may think that the problem is one of poor selling procedure sharp competition or the saturation of old markets.

4) Developing Alternative solution or Courses of Action,

For every problem there are alternative solutions.

i) Build a new plant. (ii) buy better equipment
iii) add an extra shift iv) authorise overtime.

For considering the proposal to be a product leader, there are two alternatives.

i) be the first in the market with improvements.
(ii) follow the leap frog policy, that is let competitors try various modifications and when significant modification are evident.

While developing various alternatives, a manager should always keep in mind their feasibility, He should have clear recognition of all those limiting factors which can make the accomplishment of an alternative difficult or impossible. Ex: Limiting factors: non availability of cash & Credit Late delivery of capital equipment.

5) Creativity & Innovation:

Two simple ways of developing alternatives are to review the past experience of a similar situation and to scrutinise the practice of other companies. Manager has to depend upon his own ability to develop new and useful ideas, which is called creativity. Innovation successfully bringing into use an invention.

6) Attributes of Creative Individual:

Important attributes of a creative individual.

1. Rich amount of information accumulated from fast learning

2. Ability to organise this information and to recall it when needed.

3. Focus on bringing something new into being rather than on getting rid of a problem

4. Intrinsic motivation
5. Divergent thinking

Attributes of Creative Organisation

1. Risk taking ethos
2. Awareness of internal problems
3. Awareness of the fundamental research going on outside the organisation.
4. Close cooperation & information sharing
5. Adequate incentives to promote out of box thinking
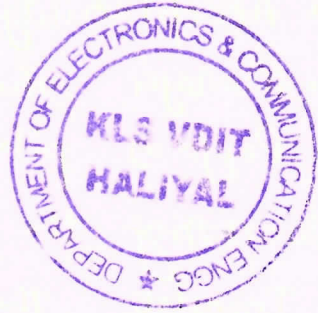
Stages of a Creative Process:

1. Saturation: Manager must be familiar with the problem.
2. Deliberation: Think of the problem from several view points.
3. Incubation: Temporarily turn off the concious search & relax.
4. Illumination: flash of insight may take place & get some ideas.
5. Accommodation: Manager refines his ideas into usable proposal.

Techniques for Stimulating creativity

   The techniques for stimulating creativity can be either educational or operational. Educational techniques aim at raising the individual's level of creativity. Operational techniques aim at making him produce more new ideas faster. Ea: Operational Technique: Brain Storming i) Buzz session (ii) Synectics
Best ideas comes from brain stilling

5) Measuring and comparing the consequences of Alternative Solution.
   • Involves a comparision of the quality and acceptability of various solution.
• The quality of solution determined, taking into account its tangible and intangible consequences.
   → tangible consequences are quantitatively measured.
   → Intangible consequences are those which can not be quantitatively measured or mathematically demonstrated.
• Use judgement & intuition to solve the problem.

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- Acceptability of a solution is also very important.
- Manager should follow system approach.
- Perform pilot testing.

6. Converting the Decision into Effective Action
   - Translate the decision into action
   - A decision is not complete until someone has been assigned responsibility to carry it out.
   - Requires the communication of decision to the employee in clear and unambiguous terms.

7. Follow up of Action:
   - Action should be continuously followed up, to ensure whether the decision is achieving its desired purpose and whether the forecasts and assumptions upon which the decision was based are still valid.

   Four principal stages by Herbert A. Simon.
   1. Intelligence : Searching the environment for condition for decision
   2. Design : Inventing, developing and analysing course of action
   3. Choice : Selecting course of action
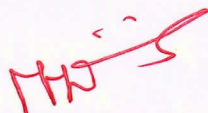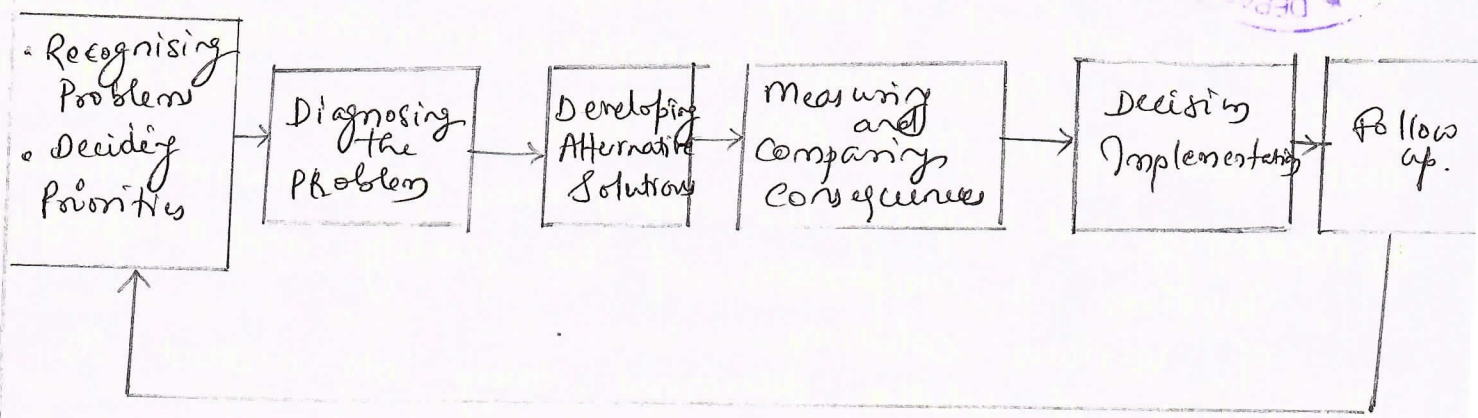   4. Review : Assessing past choices.

fig 2.c1   Flow Diagram of the rational decision making process.

3 a. The steps involved in selection process.

· There is no standard procedure adopted by all the organisation, for selection procedure. The popular sequence of steps followed in selection process are,

1. Application Blank
2. Initial interview of the candidate
3. Employment tests.
4. Checking references
5. Physical or medical examination
6. Final Interview.

1. Application blank:

Filling of the "application blank" by the candidate is the first step in the process of selection. The application gives relevant personal data such as his qualification, specialisation, experience, firms in which has worked. The application blanks are scrutinised, to call the applicants for interview.

2. Initial Interview:

Those who are selected for interview on the basis of particulars furnished in the application blank are called for initial interview by the company. According to Mandell, interview is means of evaluating the poise or appearance of the candidate. It is used for establishing the friendly relationship between the candidate and company. Interview must be properly planned and make the applicants feel at ease

3) Employment tests:

To assess candidate's nature and abilities, tests are used in the selection procedure. The types of tests are

i) Aptitude tests: This test measures the applicant's capacity to learn the skill required for a job. These tests helps in assessing before training as to how well the candidate will perform on a job after he is given necessary training

ii) Interest Test :

'This is used to find out the type of work in which the candidate has an interest. An interest test only indicate the interest of a candidate for particular job. It does no reveal his ability to do it.

(iii) Intelligence Test : This test is used to find out the candid intelligence. By using this test, the candidate's mental alertness, reasoning ability, power of understanding are judge
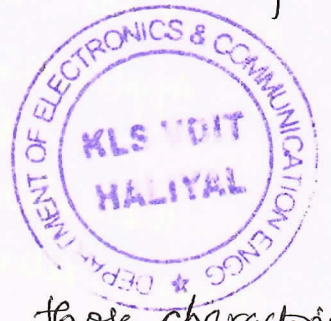
iv) Trade or Performance or Achievement or Job specific tests.

• This test is used to measure the candidate's level of knowledge and skill in the particular job.

• Performance work sample tests.
• Written work sample test
• In basket test.

v) Personality Test : It is used to measure those characteris of a candidate which constitute his personality

Ex: Self confidence, temperament, initiative, judgement dominance, integrity, originality

4. Checking References :

After test and interview, employer would like to get some important personal details about the candidate such as his character, past history, background, verified from the people mentioned in the application. Employer may also contact his friend residing in the locality.

5. Physical or medical examination :

• It is another step in the selection procedure Objective of this examination are (i) To check the physical fitness of the applicant (ii) to protect company against unwarranted claims. (iii) To prevent communicable diseases.

6. Final Interview :

This interview is conducted for those who are ultimately selected for employment. Candidates are given idea about future prospects within the org...

8 b. Maslow's hierarchy theory:

All people have variety of needs. At any given time, some of these needs are satisfied and others are unsatisfied. An unsatisfied needs are the starting point in the motivation process. It begins the chain of events leading to behaviour. When a person has an unsatisfied need he or she attempts to identify something that will satisfy the need. This is called a goal. Once a goal has been identified, the person takes action to reach that goal and thereby satisfy the need.

According to A.H. Maslow needs are arranged in a hierarchy or a ladder of five successive categories.

Physiological needs: These needs arise out of the basic physiology of life. Ex: food, water, air, home.

Security needs: Need to feel both economically secure & psychologically secure.

Social needs: These are associated with other people and be accepted by them. Ex: love, emotion

Egoistic or Esteem needs: These relate to respect and prestige. Dominance is one of the egoistic need. Two types are self esteem and esteem from others.

Self-fulfilment needs: Needs for realising one's potential. It is realising one's capabilities to the fullest.

Maslow theory is criticised on two main grounds.

1. The hierarchy of basic need is not always fixed.
2. It is difficult to know about the needs and motives of an individual from the analysis of behaviour.

Characteristics of human needs are classified as lower order need and higher order need. The first two needs of maslow's classification constitute the lower order need and other three are called higher order needs.
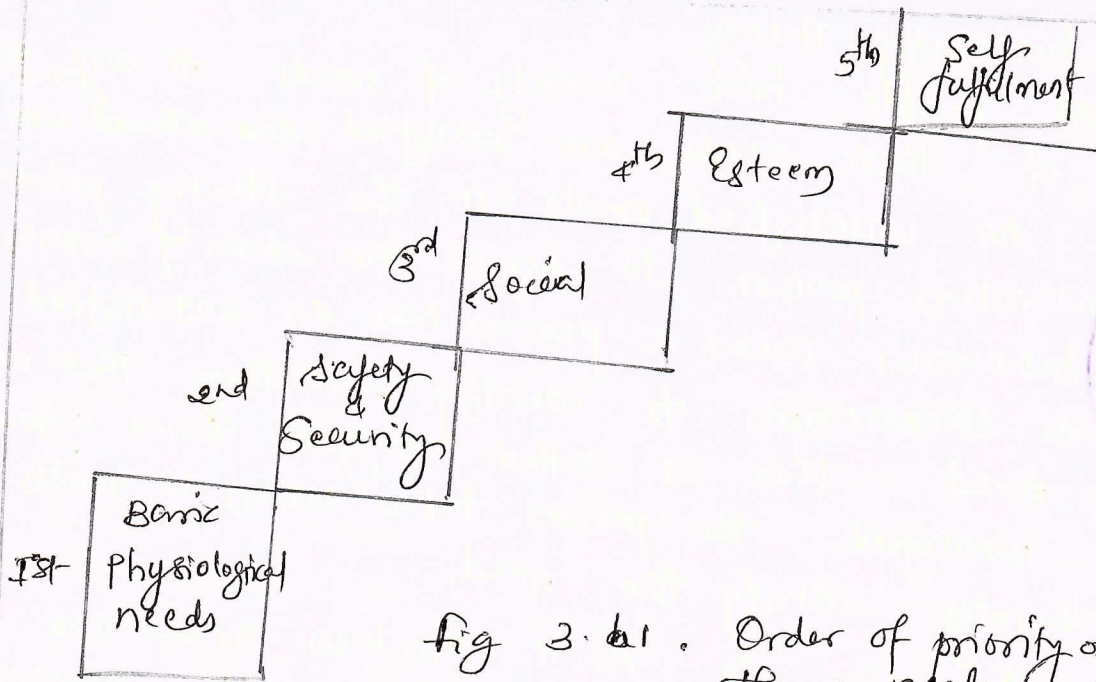
fig 3.61. Order of priority of Human needs.

The order in which the needs become stronger is not rigid. Self actualisation needs may become dominant motivating force even before lower needs are satisfied.

Person's behaviour at a given time are the result of one motive and one alone.

4 a. Advantages and Disadvantages of committees in an organisation

Committee is a group of people who have been formally assigned some task or some problem for their decision and/or implementation.

Advantages:

1. Committees consist of all departmental heads as members, people get opportunity to better understand each other & cooperatively more towards organisational goals.

2. Committees provide a forum for the pooling of knowledge and experience of many persons of different skills.

3. Committees provide an opportunity to many persons to participate in the decision making process.

4. Committees are excellent means of transmitting information and ideas, both upward and downward.

5. By exposing members to different viewpoints, committees contribute indirectly to their training and development.

6. Committees are impersonal in action and their decisions are generally unbiased, and are biased in fact. There is no fear of a single individual taking a biased decision.

Disadvantages:

. Committees keep minutes and waste hours.
. In case of wrong decision by a committee, no member is held responsible individually.
. A huge amount of is spent in convening meetings. committees are an expensive form of administration.
. Members of coordinating committees regard themselves as appointed to protect the interest of their departments.
. Committees have tendency to perpetuate themselves.
. Decisions are arrived on the basis of compromise among the members.
. Committees consists of large number of persons, it is difficult to maintain secrecy regarding the decision taken.
. Chairman of a committee offers charges, influence accumulates in the hands of the permanent secretary or some other person or persons who may thus dominate the committee.
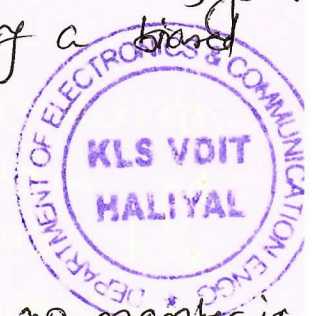
b. Direction in an Organisation, five Techniques of co-ordination

Direction means issuance of orders and leading and motivating subordinates as they go about executing orders.

According to Haimann, 'Directing consists of the process and techniques utilised in issuing instructions and making certain that operation are

carried on as originally planned."

According to Koontz and O'Donnel, "Direction is the interpersonal aspect of managing by which subordinates are led to understand and contribute effectively and efficiently to the attainment of enterprise objectives. The function of direction have major activities first being Giving orders to employees and second being leading and motivating them. Direction is a vital managerial function. The manager must stimulate action by giving direction to his subordinates through orders and also supervise their work to ensure that the plans and policies achieve the desired actions and results. It is also called management is action.

five Techniques of Co-ordination:

A. Employing only Basic Coordinating Techniques.

(i) Rules, Procedures and Policies: The specification of rules, procedures and policies is a very common device to co-ordinate sub units in the performance of their repetitive activities. Standard policies, procedures and rules are laid down to cover all possible situations.

(ii) Planning: Planning ensures co-ordinated effort. Under planning targets of each department dovetail with the targets of all other departments.

(iii) Hierarchy: The oldest and simplest device for achieving co-ordination is hierarchy or chain of command. By putting Interdependent units under one boss, some co-ordination among their activities is ensured.

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B. Increasing co-ordination Potential :
Additional co-ordinating mechanism to fulfill the need of basic co-ordination techniques are,

(i) Direct contact :
• Problems are resolved by the affected employes at lower levels by informal contacts. Top executives are not overloaded with problems.

(ii) Task force : Temporary group made up of representative from those departments, which are facing a problem.

(iii) Committees : Task force becoming permanent is called committees. This device eases the rigidity of the hierarchial structure, promotes effective communication and understanding of ideas, encourages the acceptance of the commitment to policies and makes their implementation more effective

(iv) Induction : Inducting the new employee into the new social setting of his work is also a co-ordinating mechanism. The device familiarises new employee with the organisation's rules and regulations, its dominant norms of behaviour, values and beliefs and integrates his personal goals with the organisational goals.

(v) Indoctrination :
Indoctrinating organisational members with the goals and mission of the organisation. According to Gulick, leader should develop in the minds of his followers the desire and will to work together for a purpose.

(vi) Incentives : Providing interdependent units with an incentive to collaborate, such as a profit sharing plan is another mechanism. It promotes team spirit and better co-operation.

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Liasion Departments:

Where there is a large volume of contact bet two departments, a liasion department evolves to handle transactions. This occurs between sales and production departments.

Viii) **Workflow:** It is the sequence of steps by which the organisation acquires inputs and transforms them into outputs and exports these to the environment. It is largely shaped by technological, economic and social considerations and helps in co-ordination.

C. **Reducing need for co-ordination:**

Some new form of organisation structure such as autonomous work teams and matrix organization reduce co-ordination needs. Organisations using mass production technique vertically, integrate with the suppliers of raw materials.

5 a. The social responsibilities of business towards different groups.

Every businessmen is at the centre of a network of relationships which consist of those between him at one end and his workers, employees, consumers, shareholders, other businesses, community and the government on the other.

Towards the consumer and the Community

i) Production of cheap and better quality goods and services by developing new skills, innovation and techniques.

ii) Levelling out seasonal variation in employment and production through accurate forecasts, production scheduling and product diversification

(iii) Deciding priorities of production

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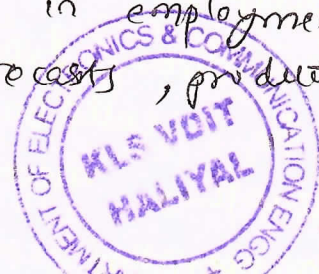
iv) Providing for social audit.

v) Honouring contracts and following honest trade practices.

vi) Making real consumer needs as the criterion for selecting messages to be given by product advertisement.

vii) Preventing the creation of monopolies.

viii) Providing for after sale servicing.

ix) Ensuring hygienic disposal of smoke and waste and voluntarily assisting in making the town environment aesthetically satisfying.

x) Achieving better public relations.

xi) Supporting education, slum clearance and similar other programmes.

Towards Employees and Workers:

1. A fair wage to the workers
2. Just selection, training and promotion
3. Social security measures and good quality of work life.
4. Good human relation
5. Freedom, self respect and self realisation
6. Increase in productivity and efficiency by recognition of merit.

Towards Shareholders and other Businesses.

1. Promoting good governance through internal accountability and transparency
2. Fairness in relation with competitors, competition with rival businesses.

Towards the State:

1. Shunning active participation in and direct identification with any political party
2. Observing all the laws of land which have objectives. such as providing direction to economic & business life, bringing harmony between limited enterprise

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56.

Advantages of Corporate Governance

Corporate Governance is used to denote the extent to which companies run in an open and honest manner in the best interest of all stake holders. The key elements of good corporate governance are transparency and accountability, which incorporates a system of check and balance between all key players viz., board of directors, auditors and stake holders.

1) Corporate Governance creates overall market confidence and long term trust in the company.

2) It leads to an increase in company's share prices.

3) It ensures the integrity of company's financial reports.

4) It maximises corporate security by acting as a whistle blower.

5- It limits the liability of top management by carefully articulating the decision making process.

6. It improves strategic thinking at the top by inducting independent directors who bring a wealth of experience and a host of new ideas.

The Securities and Exchange Board of India (SEBI) monitors corporate governance of listed companies in India through clause 49 which is incorporated in the listing agreement of stock exchanges with companies.

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6 a. Essentials of an Effective Control system

According to E.F.L. Brech "control is checking current performance against predetermined standards contained in the plans, with a view to ensuring adequate progress and satisfactory performance."

· Suitable: The control system should be appropriate to the nature and needs of the activity. Controls used in the sales department is different from those used in finance and personnel. Machine based method of production requires control system different from, system that is used in labour intensive methods of production.

Timely and forward Looking:

Ideal control system should be able to detect deviations before they occur, the same is not possible in personnel and marketing controls which always include a time lag between the deviation and corrective action. Employees, knowing that a prompt check on deviations from standards will be made, are more likely to be careful in their daily work.

Objective and Comprehensible:

The control system should be both objective and understandable. Objective controls specify the expected results in clear and definite terms and leave little room for argument by the employees. The meaning of central data should be clear to the manager who should use it.

Flexible: The control system should be flexible so that it can be adjusted to suit the needs of any change in the basic nature of the inputs and/or the sizes, varieties, or types of same product or service. Introducing

flexibility into a control system is to make the adjustment automatic. Both flexible budgets and standard costs, provide a shifting standard for expenses, as the volume of work goes up or down.

Economical: Economy is another requirement of every contr. system. The benefit derived from a control system should more than the cost involved in implementing it.

Prescriptive and Operational: A control system in order to be effective and adequate must not only detect deviations from the standards but should also provide for solution to th problem that cause deviations. It must disclose where failures are occurring. It must focus on action.

Acceptable to Organization Members:
The system should be acceptable to organisation members. Set custom fit performance standards for each person to reduce resistance. Status difference between individuals also have to be recognised.

Reveal Exceptions at Strategic Points:
A control system should be such as to reveal exceptions at strategic points. Small exception in certain areas have greater significance than larger deviations in other areas. Five percent deviation from the standard in office labour cost is more important than 20 percent deviation from the standard in cost of postage stamps.
Guidelines in picking strategic points
   i) They should be able to catch important deviations quickly
   (ii) They should be practical & economic.
   (iii) They should provide controls over large blocks or activities.
   (iv) They should be helpful in advancing knowledge.

Motivate people to High Performance.
A control system is most effective when it motivates people to high performance. Most people respond to a challenge, successfully meeting a tough standard may well

provide a greater sense of accomplishment than meeting an easy standard.

Should not lead to less attention to other Aspects.

Control over one aspect of operations should not lead to less attention to other aspects, for example if controls put pressure on employees to increase output, the quality of work, care of equipment and prevention of waste should not be neglected.

Should be periodically reviewed and evaluated.

Every control system should be periodically reviewed and evaluated in relation to its objectives to see how effective and efficient the design proved to be or why it failed.

6 b. Steps in Control process:

There are three basic steps in a control process.

1. Establishing standards
2. Measuring and comparing actual results against standards.
3. Taking corrective action

i) Establishing Standards

The first step in the control process is to establish standards against which results can be measured, since entire operations cannot be observed, each organisation must develop its own list of key result areas for which standards need to be established.

Key areas of business organisations are profitability, market position, productivity, personnel development, employee attitude and public responsibility.

Guidelines for setting parol standards.

1. They must be specifically determined in quantitative terms.
2. They should be accepted by individual involved.
3. They need to be flexible in order to adapt to changing conditions.

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4. They should emphasise the achievement of results more than the conformity to rules and methods.

Measuring and comparing actual results against standards.

The second step in the control process is to measure the result and compare it with the predetermined pars. Frequency of measurements depends on the nature of the task being controlled.

Quality control of items coming off an assembly line often requires hourly monitoring because significant charges can take place any time in any run of items.

Taking Corrective Action:

After comparing the actual performance with prescribed standards and finding the deviation, the next step that should be taken by the manager is to correct these deviations. Corrective action should be taken without wasting time so that the normal position can be restored. The manager should also determine the correct causes for deviation. The causes for deviation may be of different types, such as inadequate and poor equipment and machinery, inadequate communication system, lack of motivation of subordinates, defective system of training and selection of personnel, defective system of remuneration. The remedial action that should be taken depends on the nature of causes for variation.

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7 a. four characteristics of a successful entrepreneurship.

Entrepreneurship is process of starting a business. Multiple factors go into starting a successful business venture, including a strong concept and initial funding. But, perhaps the most important ingredient is the entrepreneur. These are individuals who must transform their ideas into a fully operational business. Entrepreneur have some special characteristics like creative thinking, imagination, enthusiasm, sincerity etc.

1. Intellectual Capabilities: An entrepreneur is a creative thinker. He has reasonbly good intelligence. He has the ability to analyze business situations. This ability will help him to take proper decisions.

2. Future Vision: The entrepreneur has a good foresight about the future market situation. He should also have knowledge about the external business environment. This will help him to make proper decisions according to the situations and changes in the market. So, he can take timely actions for the same.

3. Communication Skills: An entrepreneur needs to communicate with different people like customers, suppliers, creditors, employees etc. He must be able to express his ideas and strategies effectively. It is necessary that there is a proper understanding between the sender and receiver of the message.

4. Self Confidence: An entrepreneur has self confidence. He has positive desires to achieve his goals. Such self motivation keeps him strong and confident to face various obstacles.

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The other characteristics are hardwork, Techr knowledge, Highly optimistic, Risk bearing capacity, An entrepreneur works with a positive attitude towa all activities. He/she takes all decision confidently and never loses hopes during failures. An entrepre always sets high goals and tries to achieve them in th best possible manner. A successful entrepreneur understands the value of learning through trial and error and does not give up despite these obstacles. A self starting entrepreneur must believe in their capabilities and carry themselves in a way that shows others. Having the ability to think outside the box and coming up with new ways to do things is essential to becoming a successful entrepreneur. All successful entrepreneurs understand that change is inevitable and they must be willing to keep a positive and open mind in order to ride the wave and come out on top.

7b. Capacity Building for Entrepreneurship.

Capacity building is defined as the process of developing and strengthening the skills, instincts, abilities, processes and resources that organizations and communities need to survive, adapt and thrive in a fast changing world. Capacity building activities can include leadership development and planning for future collaboration. At an individual level, examples of capacity building activities can consist of training and mentorships.

i) Operational Capacity Building:-

→ Insight into Industry Dynamics: Gaining a understanding of business operations within an industry is crucial. This involves acquires hands on experience across various business functions to understand what drives success.

→ Practical experience: Working in different roles within business provides invaluable insights into effective leadership, organization and planning for operations.

(ii) Management Capacity Building:

→ Management Experience: Building upon operational experience, gaining management experience is essential for understanding how to effectively manage resources, operations and people

→ Tools for Business Management: The experience gained from managing at different levels within a business equips future entrepreneurs with the necessary skills for running their own business.

(iii) financial management Capacity Building:-

financial Acumen: Entrepreneurs need to be adept at managing finances, which includes building and understanding financial statements and analyzing financial trends and indicators.

• Understanding financial Health: Learning to interpret financial reports is critical for assessing a business's financial situation, which is key for making informed decisions.
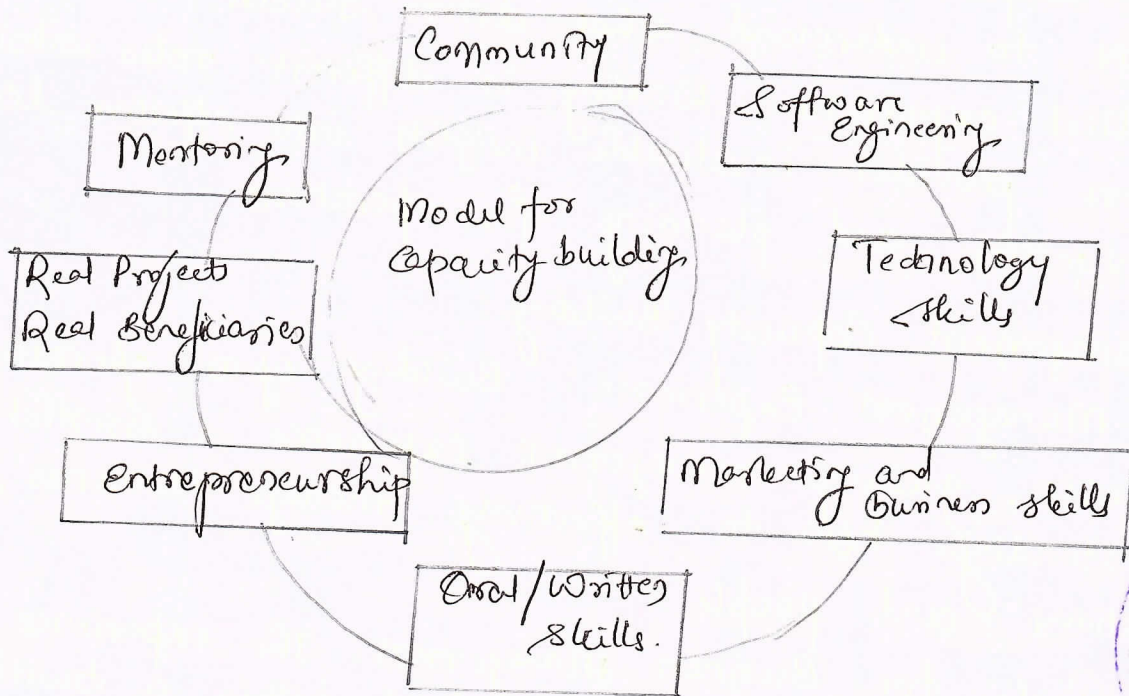
iv) Personal Capacity Building:

Entrepreneurial Traits: Certain personal traits & behaviours, such as dedication, perseverance, ambition and honesty are fundamental for entrepreneurial success.

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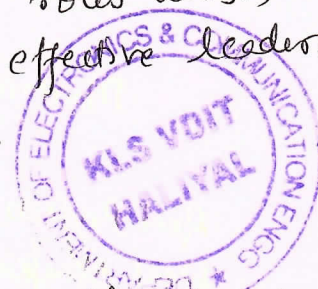
These can be developed over time.

Model for capacity building :

8 a. Business opportunities in India.

Successful startups in India need creativity, proper planning, execution and market awareness. Create a detailed business plan outlining objectives, strategies and market analysis before starting a business.

Some of the trending startups business ideas in India are dropshipping, content writing, catering edtech business, mushroom farming and many more. Startup business ideas in India will only work if they have a futuristic approach. Entrepreneurs should keep an eye on the decreasing trends and fastest growing opportunities in the market.

Before starting any business one should ✗ arrange money. Many Government organization, Banks

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and co-operative societies are giving loans to start a business.

Planning is key to success. Startup business ideas in India.

1. Content writer and Blogging
2. Digital marketing
3. Edtech Business
4. Network marketing
5. Drop shipping

Digital marketing is one of the most trending business ideas in India right now. And the opportunities in digital marketing are limitless. One can start a digital marketing agency, a freelance business, own startup or even promote various products through digital marketing and make money.

The several business opportunities in India, are

1) Digital marketing
2) Affiliate marketing
3) Mobile app.
4) Interior Design
5) Solar farm
6) Travel agency
7) Blog
8) Coaching
9) Food delivery
10) Health care
11) Real Estate
12) Pet care
13) Renewable energy
14) 3D printing
15) Automobiles
16) Baking
17) Catering
18) Beauty parlor
19) Day care services
20) Courier services
21) Wedding planner
22) Coach

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8 b. Mobility of entrepreneurs.

Entrepreneurial mobility also includes the crossing of industrial and/or functional boundaries by enterprises. For example Entrepreneurs who cross functional boundaries move their startups more often into new product areas. The genesis of entrepreneurial mobility should be seen as a career without borders, which aims at crossing borders in the context of professional development. Adopting the perspective of entrepreneurship, which focuses on recognizing and using entrepreneur's possibilities through various organizational forms (start ups, spin off or family family business transfers), entrepreneurial mobility is defined as the movement of the entrepreneur from one context to another. The context consists of four aspects: temporal (life cycle of the enterprise) institutional (government policy, legal system, norms, values), social (social networks) and spatial (geographical space). The content is therefore an element that indicates areas where entrepreneurial mobility can take place.

In entrepreneurial mobility, dimensions can also be distinguished using two criteria; organizational mobility and geographic mobility, taking into account their level high and low, Entrepreneurial mobility is a multidimensional construct.

Entrepreneurial mobility is dynamic aspect of entrepreneurship, reflecting the capacity of business owners to transition across different domains. It is

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9 a.

The procedure for setting up an enterprise

Process for setting up an enterprise involves 4 phases.

1. Identifying and evaluating opportunities
2. Developing a business plan.
3. Determining required resources.
4. Managing the Enterprise.

Setting of an enterprise is a complex process. The entrepreneur should have complete knowledge of men, material, machinery, market and product. A number of formalities like approval and clearance from government departments are to be completed before setting up an enterprise. The setting of an enterprise involves the study of business opportunities, development of feasible business plan and identification, determination and arrangement of men, materials, machinery and market for products.

1. Conduct market research: It will tell you if there's an opportunity to turn your idea into a successful business. It is a way to gather information about potential customers and businesses already operating in your area.

2. Write your Business Plan: Business plan is the foundation of business. It is a roadmap for how to structure, run and grow new business. One can use it to convince people that working with you

classified into 2 sections. i) Occupational mobility and
(ii) location mobility

Occational Mobility: This refers to changes in one's occupat
and occur in two forms.

i) Intergenerational mobility: Involves moving away from
the occupation of one's parents, representing shifts in
professional paths across generations.

(ii) Intragenerational Mobility:- Pertains to the career movemen
a person makes within their own lifetime, differing
from intergenerational mobility which occurs between
generations.

Location Mobility
       It indicates shifts in geographical location for
business purposes, driven by various factors.

i) Availability of Raw materials: Access to necessary
   inputs for business operations.

(ii) Labor availability: Accessibility to a skilled workforce

iii) Market proximity: Closeness to target markets for better
                         business outreach.

(iv) Access to Resources: Availability of Essential resources
     like Capacital and technology.

(v) Education and experience: The role of personal qualifications
    and professional background.

Sociopolitical Context: Influence of political stability,
regulatory environment and economic policies.

       Entrepreneurs offes move their business
base to optimize resources, access markets and
leverage strategic advantages, making location mobility
a multifaceted decision influenced by a combination
of factors.

or investing in your company is a smart choice.

3. Fund your Business: Business plan will help to figure out how much money is needed to start your Business. If that amount is not in hand, then need to be either raise or borrow the capital.

4. Pick the Business Location: Business location is the most important decisions to make. Setting up a brick and mortar business or launching an online store the choices you make could affect your taxes, legal requirements and revenue.

5. Choose Business structure: The legal structure you choose for your business will impact your business requirements, how much you pay in taxes and your personal liability.

6. Choose Business name: Choose the name that reflects your brand and capture your spirit. Make sure your business name is not already being used by someone else

7. Register Business: Once picked the perfect business name, it is time to make it legal and protect your brand. If you are doing business under a name different then your own, you will need to register with the federal government and may be your state government.

8. Get federal and state tax ID's: Use your employer identification number (EIN) for important steps to start and grow your business, like opening a bank account and paying taxes. It is like social security number for your business.

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9. Apply for licenses and permits.

Keep the business running smoothly by staying legally compliant. The licenses and permits need for your business will vary by industry, state, location and other factors.

10. Open a business bank account:

A small business checking account can help you handle legal, tax and day today issues

11. Decision to be Entrepreneur: An opportunity to provide a product or service to implement your ideas, which can generate surplus a reason to think of starting up a SSI unit.

12. Choose form of Business organisation: first time Entrepreneurs don't have clear perspective of issues, legal or other arise, involved in choosing one or other form of business. This often results in avoidable mistakes which later cost time and money to rectify.

18. Making a product choice: make careful analysis of product or service you are choosing

14. Location of Industry: for many ting units & service based units, the home is the best starting point.

15. Preparation of Business Plan: Business plan is a document where you plan your Business to have an organized and effective response to a situation which may arise in future. It is required for growing company also, not only for startup company.

16. Other Parameter of considerations are, sourcing process, Raw materials, Machinories & Equipments, Legal aspects, finance and working Capital to start a Business, Human Resources.

9 b. Why some business plan fail?

The world of business is a competitive and challenging one, where success is not guaranteed. While some entrepreneurs thrive and achieve their goals, others struggle and ultimately fail.

There are many factors that contribute to the success or failure of business including vision, resilience, leadership, financial management, innovation, customer focus, marketing and branding, team building, operational efficiency and persistence. Successful entrepreneurs understand the importance of developing these skills and attributes and constantly work to improve them.

Failure won't be at the front of many business owner's minds when they launch a company.

1. Poor Cash flow management:

Indeed, even a profitable business can fall victim to a crippling cash flow crisis, which is often caused by the ineffective management of debtors, high stock levels, bad debt and late invoicing. Inadequate financing or selecting the wrong type of funding for business can also put it on the path to failure.

2. Loosing control of the finances:

Any business owner needs to be aware of their financial and cash position at any given time. Employing an experienced accountant or investing in a good cloud based accounting solution can help ease the burden of financial management, allowing to focus on day today business operations.

3. Bad planning and lack of strategy:

Long term planning is key to the success of any business. Business owner need to conduct market

research to establish who their customers are and what they need. They also need to recognise their competitors and be proactive regarding trends to avoid getting left behind.

4. Weak Leadership: A good leader recognises the skills they lack or the jobs they do not have time for and either employs, outsources or seeks professional advice to fill those gaps. They also communicate, direct, reward and offer the opportunity for personal growth to their employees, creating happy effective and loyal team. Poor leadership on the other hand leads to demotivated and ineffective team, which can easily cripple a business.

5. Overdependence on few big customers.
An overdependence on a few big customers could easily lead to business failure if one of them suddenly pulls out — both cash flow and profit will ultimately be hit. The temptation could then be to offer discounts to that customer, this will lead to poor margin over the longer term. Minimize your risk by increasing customer base, diversifying your product portfolio and encouraging your customers to sign contracts with a reasonable notice period.

10a **Non governmental organization (NGOs)**

Non Governmental organizations (NGOs) serve as critical players in the modern societal framework, often filling gaps that government bodies and private sectors are unable to address effectively. The role of an NGO in society encompasses a wide range of activities that contribute to social change, community development and the promotion of civic engagement.

NGOs were first called such in Article 71 in the charter of the newly formed United Nations in 1945 They are non profit entities independent of governments influence (although they may receive government funding, NGO label is given to organizations operating on an international level although some country classify their own civil society groups as NGOs

One of the primary roles of an NGO is to act as an advocate for social change. NGO work towards influencing policies and legislation that affect the communities they serve. By engaging in advocacy work, NGOs raise awareness on critical issues such as human rights, environmental protection and social justice, striving to bring about systematic change that can improve the lives of people on a larger scale.

NGOs play a crucial role in mobilizing communities at the grassroots level. They empower individuals by providing them with the knowledge and tools necessary to advocate for their rights & interests.

In times of crises, such as natural disasters or conflicts NGO's are often among the first to respond

with humanitarian assistance. They provide essential services including food, shelter, medical care and psychological support to those affected. Ngo's flexibility and ability to act quickly often make them more efficient.

Ngo's are instrumental in community development projects that aim to improve the quality of life for individuals and groups. These projects may include building schools, improving healthcare facilities and providing vocational training to enhance employment opportunities. By focusing on empowerment Ngos help communities to become self reliant and sustainable in the long term.

NGOs address global challenges such as poverty, inequality, climate change and peace. Education is a cornerstone of NGO activities. Many organizations focus on providing educational opportunities to children and adults alike, helping to reduce illiteracy rates and equipping individuals with the skills needed to participate fully in society. NGOs also strengthen the abilities of other civil society organizations, enhancing their impact and efficiency

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10 b. (i) SIADB
(ii) NABARD

(i) <u>SIADB:</u> The SIADB is a statutory board constituted under the industrial areas development act of the respective State government in India. It was constituted under Sec 5 of state Industrial Areas Development Act [SIAD Act] 1966.
SIADB provides for expeditious acquisition of lands for industrial and infrastructure purposes.
It prepares industrial plots of various sizes of suit different industries along with the requisite infrastructural facilities.

For Ex: The Gujarat Industrial Areas Development Act 1966, in Gujarat.

• Promote rapid and orderly development of Industries in the state.
• Assist implementation of policies of Government within the purview of GIAD Act.
• Facilitate in Establishing infrastructure projects.
• Function on NO profit-NO loss basis.

The <u>State Industrial Area Development</u> Board (SIADB) is a governmental body established in various states of India, with the aim of promoting industrial development in designated Industrial areas. These commission play a crucial role in planning, development and management of Industrial estates and industrial areas within their respective States
  * SIADBS aim to attract investments into the state. This can be through offering tax breaks, subsidies

or single window clearances for setting up business.

*SIADBS might offer incubation centers, training program or financial assistance to budding entrepreneurs.

*SIADBs indirectly contribute to job creation with the state. As industries flourish, they require manpower across various skill sets.

Ex:(i) Karnataka Udyog Mitra is an initiative by the Karnataka SIADB that provides entrepreneurs with guidance, clearances and subsidies to set up businesses.

(ii) Maharashtra Industrial Development Corporation (MIDC), a SIADB has developed over 270 Industrial areas across the state providing essential infrastructure for various industries.

SIADB's acquire land, plan infrastructure and establish essential utilities like water supply, electricity and sewage treatment in these designated zones.

(ii) NABARD :-

National Bank for Agriculture and Rural Development (NABARD) was established on 12th July 1982 by an act of Parliament.

NABARD is a Development Bank with a mandate for providing and regulating credit for the development of agriculture, small scale industries, cottage and village industries, handicrafts and other allied economic activities in rural areas to promote prosperity of rural areas.

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NABARD was set up with an initial capital of Rs 100 crore, Its paid up capital stood at Rs 14,080 crore as of 31 March 2020. Consequent to the revision in the composition of share capital between the Government of India & RBI NABARD today is fully owned by the government of India.

NABARD is an All India Financial Institution (AIFI) and an apex Supervisory Body for overall supervision of Regional Rural Banks, State Co-operative Banks and District Central Co-operative Banks in India.

NABARD intends to undertake low emission and climate resilient sustainable development that reduces the impacts of climate change.