

# CBCS SCHEME

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BEE501

**Fifth Semester B.E./B.Tech. Degree Examination, June/July 2025**

## Engineering Management and Entrepreneurship

Time: 3 hrs.

Max. Marks: 100

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

Module – 1			M	L	C
Q.1	a.	Define management and explain briefly the functions of management.	10	L2	CO1
	b.	Mention the importance of planning and explain the steps involved in planning process.	10	L3	CO1
<b>OR</b>					
Q.2	a.	Discuss in detail the roles of manager.	10	L2	CO1
	b.	Distinguish between : i) Management and Administration ii) Strategic planning and tactical planning	10	L2	CO1
<b>Module – 2</b>					
Q.3	a.	Briefly explain the principles of organization	10	L2	CO2
	b.	Explain purpose of departmentalization.	05	L2	CO2
	c.	Define recruitment and explain the sources of recruitment.	05	L3	CO2
<b>OR</b>					
Q.4	a.	Explain Maslows need- hierarchy and Herzberg's two factor theory of motivation.	10	L2	CO2
	b.	Define communication and explain the importance and purpose of communication.	10	L2	CO2
<b>Module – 3</b>					
Q.5	a.	Define coordination and explain various techniques of coordination.	10	L2	CO3
	b.	Mention different characteristics of leadership.	04	L2	CO3
	c.	Explain the steps involved in controlling.	06	L2	CO3
<b>OR</b>					
Q.6	a.	Define social responsibility. What are the social responsibilities of business towards different groups ?	10	L3	CO3
	b.	What are the advantages and disadvantage of social audit.	06	L2	CO3
	c.	Explain social audit and business ethics.	04	L2	CO3
<b>Module – 4</b>					
Q.7	a.	Define Entrepreneurship ? Explain different types of entrepreneurs.	10	L2	CO4
	b.	Describe the problems faced by entrepreneurs and explain the steps for capacity building for entrepreneurs.	10	L3	CO4
<b>OR</b>					
Q.8	a.	Explain the following concepts . i) Mobility of entrepreneurs ii) Business opportunities in India	10	L3	CO4
	b.	Explain the different models for opportunity evaluation with respect to business opportunities.	10	L3	CO4
<b>Module – 5</b>					
Q.9	a.	Describe the procedure for setting up an Enterprise.	10	L3	CO5
	b.	Explain the purpose and contents of a business plan.	10	L3	CO5
<b>OR</b>					
Q.10	a.	List out and explain different state level institutions which support business opportunities.	10	L2	CO5
	b.	Write a note on following central level institutions which support business opportunities. 1) NBMSME 2) MSME - DO NSIC	10	L2	CO5

# Engineering Management and Entrepreneurship. (1)

June/July 2025

1 @ Management is a process of planning, decision making, organizing, leading, motivating & controlling the human & financial, physical & info resources of an organization to reach its goals efficiently & effectively.

Functions of management:-

- i) Planning :- It includes forecasting, formation of objectives, policies, programs, procedure & budget. It is a function of determining the methods or paths of obtaining these objectives.
- ii) Organizing :- Organizing involves bringing together the manpower & material resources for the achievement of objectives. It helps in increasing the efficiency of enterprises.
- iii) Staffing :-  
The staffing function is concerned with the aspect of management.

## ii) Directing :-

It is the art & process of getting things done. Directing is concerned with actuating the members of organization so work efficiently & effectively for the attainment of organizing goals.

## v) Controlling :-

It is the process of checking to determine whether or not proper progress is being made towards the objectives & goals & acting if necessary to correct any deviation.

## v i) Communication :-

Communication means exchange of ideas, thoughts facts & info betn two or more persons. It helps in building up high morale.

## 1 (b) Importance of planning

- Planning provide direction.
- Planning reduces risks of uncertainty
- planning reduces overlapping & wasteful activities.
- planning promotes innovative ideas
- planning facilitates decision making.
- " establishes standard for controlling.

Steps involved in planning.

- 1) Recognizing need for action.
- 2) Setting objectives
- 3) Developing premises
- 4) Identifying alternatives
- 5) Examining alternate course of action.
- 6) Selecting the alternative.
- 7) Formulating supporting plan.
- 8) Implementation of plan.

2 @ Roles of manager.

Interpersonal roles:-

A manager has to perform some duties as figure head. He may receive the guests from outside or preside over a social function of employees.

- He has also to act as a leader when he has to sort out the activities of subordinates.
- He has not only to motivate the employees but is also involved in hiring, firing & discipline employees.

- He has to contract outside agencies for collecting business related information.

② Informational roles:- Managers, they have to collect info from organizations & institutions outside their own.

- Managers also play the role of disseminator when they supply info to subordinates in the organization.

- A manager acts as a spokesperson when he represents the organization to outsiders.

③ Decisional roles:-

- He initiates & oversees new projects for the improvement of organizational performance, this is the entrepreneurial role played by him.

- As disturbance handler, manager takes corrective actions in response to previously unforeseen problems.

- He also acts as a resource allocator when he assigns & monitors the allocation of human, physical & monetary resources.

- He acts as a negotiator when he discusses & bargain with other groups so gain advantage for his own unit.

2(b) i) Management

Administration. (3)

Meaning :- Art of getting things done through others by directing their efforts towards achievement of pre-determined goals.

Nature Management is an executing function.

Process Management decides who should do it & how should be done.

Function Management is a doing function but managers get work done under their supervisor.

Skills level Technical & human middle & lower level function.

It is concerned with formulation of broad objectives plan & policies.

Administration is a decision making function.

Administration decides what is to be done & when it is to be done.

Administration is a thinking function but plans & policies are determined under it.

Conceptual & human top level function.

## Strategic planning

## Tactical planning

Time horizon

Long-term (years)

Short-term (months)

Focus

Broad goals & direction

Specific actions & steps

Scope

Big picture, overall vision

Day to day operations, implementation

Level

Generally developed by upper management

Generally developed by lower level managers

Ex:-

Entering a new market

Developing a marketing campaign for the new market.

## 3@ Principles of organization

### 1) Principle of objective:-

The enterprise should set up certain aims for the achievement of which various departments should work.

ii) Principle of specialization.

The organization should be set up in such a way that every individual should be assigned a duty according to his skill & qualification.

③ Principle of co-ordination.

There should be some agency to coordinate the activities of various departments.

④ Principle of authority & responsibility.

Though authority can be delegated. But responsibility lies with the man who has been given the work.

⑤ Principle of definition. - Every person should know his work with definiteness.

⑥ Principle of balance.

This principle means that assignment of work should be given only that much work which be perform well.

⑦ Principle of continuity.

Everyday there are changes in methods of production & marketing.

8) Principle of uniformity:-

The organisation should provide for the distribution of work in such manner that the uniformity is maintained.

9) Principle of exception:-

" " " allows top management to concentrate on planning & policy formulation.

10) Principle of efficiency:-

The organisation should be able to achieve enterprise objectives at a minimum cost.

3 (b) Purpose of departmentalization.

Departmentalization is the way in which an organization groups its various activities. There are many ways in which organizations can be departmentalized. The entire organization, ~~is~~ is divided into parts, i.e. departments which comprise a group of employees, who carry out activities of similar nature.

- It determines the functions/activities which are to be housed together & coordinated at the same place. Further it groups the personnel, who will undertake the delegated functions/tasks.

- In corporate ladder, every level below the top. ③ is departmentalized & each subsequent.

### 3 ①. Recruitment :-

It is the process of actively seeking out, finding & hiring candidates for a specific position or job.

#### Sources of recruitment

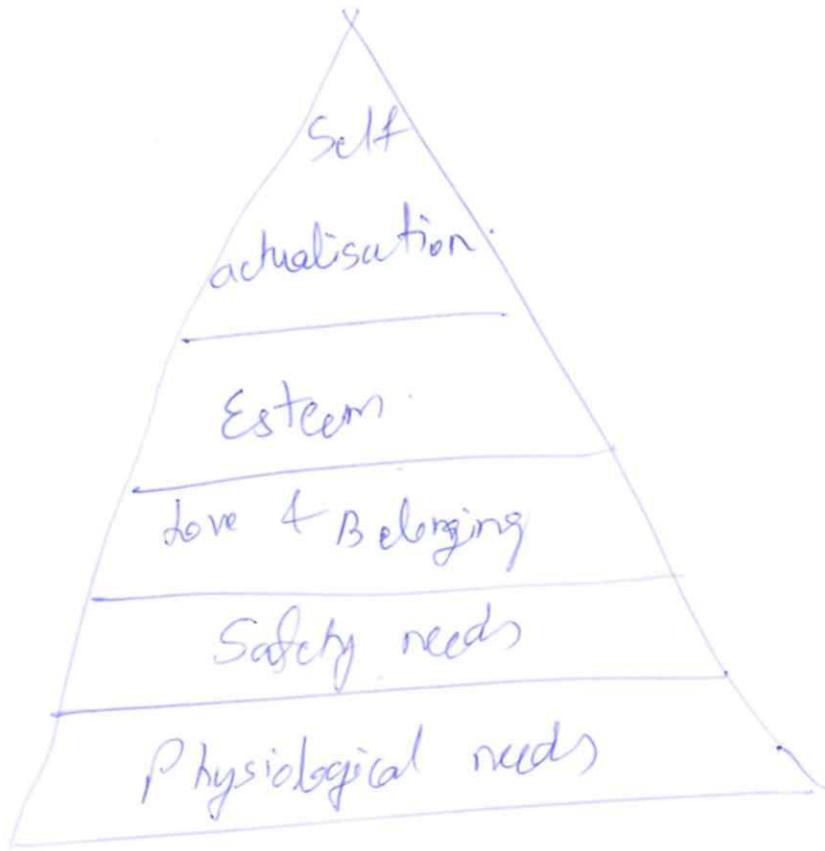
Internal sources of recruitment,

- ↳ Promotions
- ↳ Transfers.
- ↳ Employee referrals
- ↳ Internal job postings.

External sources of recruitment

- ↳ Online platform like naukri, linkedin etc.
- ↳ through recruitment agencies.
- ↳ Social media.
- ↳ Campus recruitment.
- ↳ Job fairs.
- ↳ walk in.
- ↳ Professional associations.

## 4 @ Maslows need - hierarchy.



### Physiological needs:-

There are the most basic requirements for survival, including air, water, food & sleep.

### Safety Needs:-

Once physiological needs are met, the need for security & safety becomes paramount. This includes personal security, financial security, health & well being.

## Love & belongingness

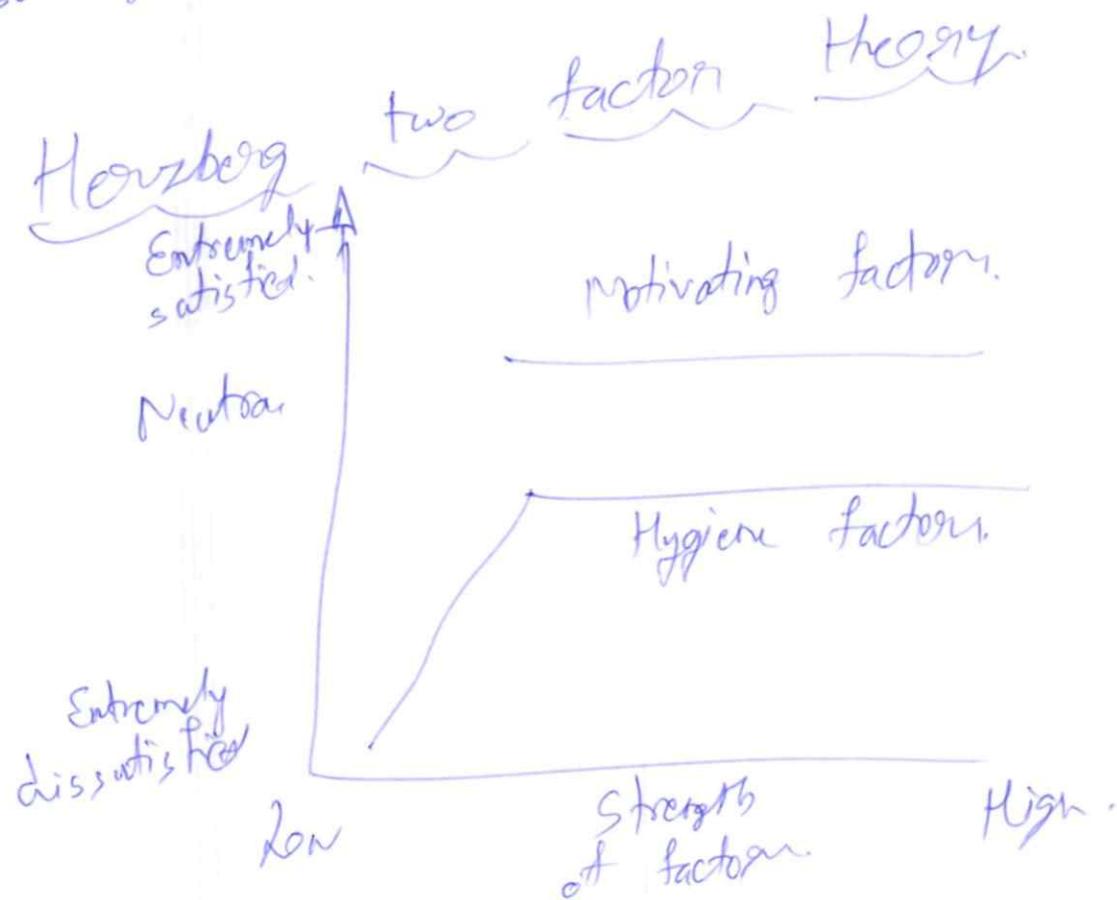
These needs involve social connections, relationships, intimacy & a sense of belonging to a group. ⑥

## Esteem Needs:-

These needs relate to the desire for self-esteem, confidence, achievement & respect from others.

## Self-actualization needs

Represents the desire for self-esteem, to reach one's full potential, including creativity, problem solving, & a focus on personal growth.



Herzberg's theory proposes that job satisfaction & dissatisfaction are influenced by two distinct sets of factors: motivation & hygiene factors.

Motivators like achievement & recognition, lead to increased job satisfaction, while hygiene factors, such as salary & working conditions, prevent dissatisfaction. These two sets of factors are independent: improving hygiene factors won't necessarily motivate employees, & addressing motivation doesn't eliminate potential dissatisfaction caused by poor hygiene factors.

### Hygiene factors:-

These factors are related to the work environment & are primarily concerned with preventing dissatisfaction. When these factors are inadequate, they can lead to unhappiness & dissatisfaction.

#### 4 (b) Communication:-

(7)

It is the process of creating, communicating & interpreting ideas, facts, opinions & feelings about work performance.

#### Importance of communication.

- 1) It is basis for decision making & planning
- 2) Useful for smooth & efficient working of an organization.
- 3) Facilitates co-ordination.
- 4) Increases managerial efficiency.
- 5) It promotes ~~max~~ co-operation & industrial peace.
- 6) It helps in establishing effective leadership.
- 7) Motivation & morale.
- 8) Increases managerial capacity.
- 9) Effective control.
- 10) Job satisfaction.
- 11) Democratic management.
- 12) Increases productivity & reduces cost.
- 13) Public relation.

## 5 @ Co-ordination :-

It is to integrate all the activities of an organization.

### Techniques of coordination.

#### 1) Sound planning :-

- Unity of purpose is the 1<sup>st</sup> condition.
- Goals of the organization & the goals of its units must be clearly defined.
- planning is the ideal stage for co-ordination.

#### 2) Simplified organization.

- The lines of authority & responsibility from top to the bottom of the organization structure should be clearly defined.
- Too much specialisation should be avoided as it leads to make every unit an end in itself.

#### 3) Effective communication.

- Open & regular communication is the key to coordinated.
- Effective interchange of opinions & information helps in resolving differences & in creating & mutual understanding.

- committees help to promote unity of purpose & uniformity of action among different departments. (8)

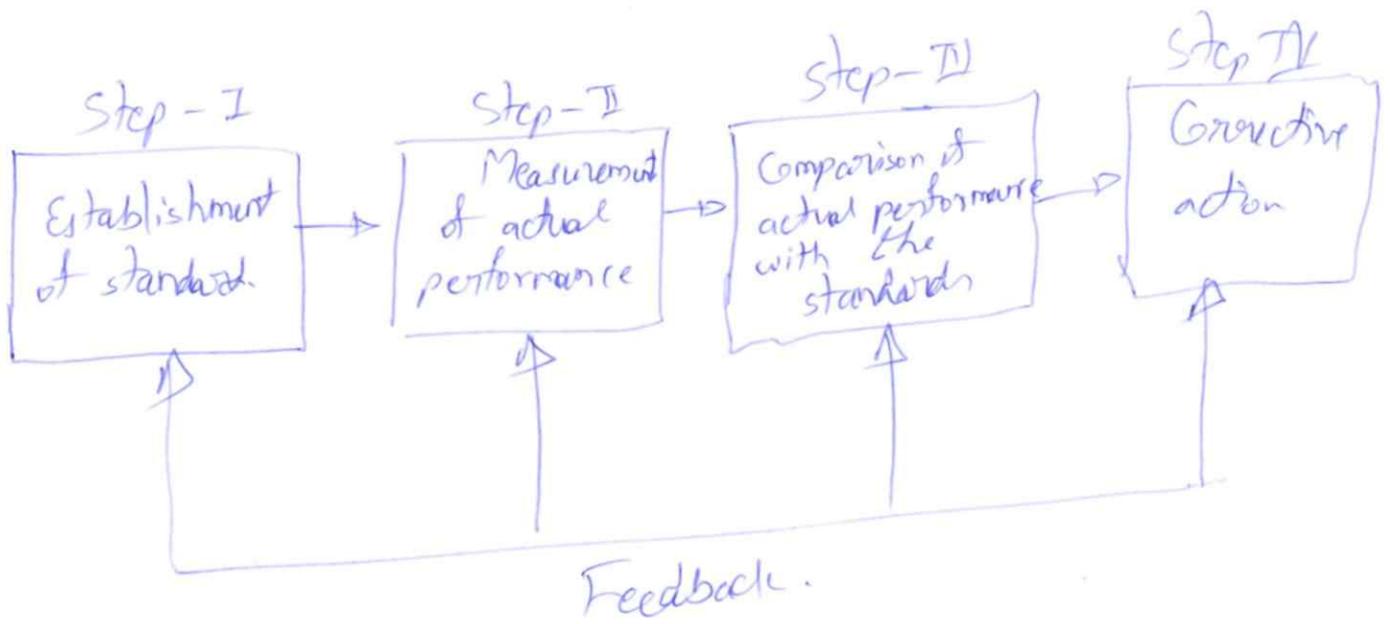
#### ④ Effective leadership & supervision.

- Effective leadership ensures co-ordination both at the planning & execution stage.
- Sound leadership can persuade subordinates to have identity of interest & to adopt a common outlook.
- personal supervision is an imp method of resolving differences of opinion.

#### ⑤ (b) Different characteristics of leadership.

- Transformational leadership
- Democratic "
- Autocratic "
- Laissez faire "
- Bureaucratic "
- Servant "
- Transactional "
- Situational "
- Cross culture "
- Charismatic "

## 5 © Steps in controlling :-



### Establishing standards :-

Setting up of the target which needs to be achieved to meet organizational goals eventually. Standard indicates the criteria of performance.

### Measurement of actual performance :-

The actual performance of the employee is measured against the target with the increasing levels of management.

Comparison of actual performance with the standard  
This compares the degree of difference between the actual performance & the standard.

## Taking corrective actions!:-

It is initiated by the manager who corrects any defects in actual performance. (9)

## 6@ Social connect responsibility!:-

Social responsibility means that individuals & companies have a duty to act in the best interests of their environment & society as a whole.

towards different groups.

### 1) Responsibility towards owners!:-

Owners contribute capital & bear the business risks.

- Run the business efficiently.
- Proper utilization of capital & other resources.
- Growth & appreciation of capital.
- regular & fair return on capital invested.

### 2) towards investor!

- Ensuring safety of their investment.
- Regular payment of interest.
- Timely repayment of principal amount.

## Towards employees:

- Timely & regular payment of wages & salaries
- proper working conditions & welfare amenities.
- opportunity for better career prospects.
- Better living conditions like housing, transport, canteen etc
- Timely training & development:

## Towards customers

- Products & services must be able to take care of the needs of the customers.
- Products & services must be qualitative.
- There must be regularity in supply of goods & services.

## 6 (b) Advantages of social audit:

- Supplies data for comparison with the organization's social policies & standards
- Develops a sense of social awareness among all employees.
- Provides data for comparing the effectiveness of different types of programmes
- provides info for effective response to external groups which makes demand on the organization!

## Disadvantages of social audit

- Difficult to measure.
- Their classification under "good" or "bad" is not universally accepted.
- Most of them occur outside the organization, making it difficult for the organization to secure data from these outside sources.

## 6 (1) Social audit :-

A social audit is a formal review of a company's activities, procedures, & code of conduct regarding social responsibility & the company's impact on society.

A social audit is an assessment of how well the company is achieving its goals on benchmarks for social responsibility.

## Business ethics :-

It is the systematic study of ethical matters pertaining to the business industry or related activities, institutions & beliefs. Business ethics is the systematic handling of values in business & industry.

## 7 @ Entrepreneurship:-

An entrepreneur is an individual who creates a new business, bearing most of the risks & enjoying most of the rewards. The entrepreneur is commonly seen as an innovator, a source of new ideas, goals, services & business.

### Types of entrepreneurs:-

#### Entrepreneurs according to the type of business

##### - Business entrepreneurs

" " are individuals who conceive an idea for a new product or service & then create a business to materialize their idea into reality.

##### - Trading entrepreneurs

One who undertakes trading activities & is not concerned with the manufacturing work.

##### Industrial entrepreneurs

Industrial entrepreneur is essentially a manufacturer who identifies the potential needs of customers & tailors a product or service to meet the marketing needs.

Corporate entrepreneurs :-

" is a person who demonstrates his innovative skill in organizing & managing corporate undertaking. (11)

Agricultural entrepreneurs :-

" are those entrepreneurs who undertake agricultural activities as raising & marketing of crops, fertilizers & other inputs of agriculture.

B7 Entrepreneurs according to technology :-

Technical entrepreneurs.

A " is essentially compared to a crafts man.

Non-technical entrepreneurs :-

There are people who are not concerned with the technical aspects of the product in which they deal.

Professional entrepreneurs.

" entrepreneurs are a person who is interested in establishing a business but does not have interest in managing or operating it once it is established.

## c) Entrepreneurs according to motivation.

### Pure entrepreneur :-

A " " is an individual who is motivated by psychological & economic rewards.

### Induced entrepreneur :-

He is the person who is induced to take up an entrepreneurial task due to the policy measures of the government that provide assistance, incentives, concessions & necessary overhead facilities to start the venture.

### Motivated entrepreneurs :-

New entrepreneurs are motivated by the desire for fulfillment.

## d) Entrepreneurs according to growth.

### Growth entrepreneurs

" " are those who necessarily take up high growth industry which has substantial growth prospects.

### Super growth entrepreneurs

" " are those who have shown enormous growth of performance in their venture. The growth performance is identified by the liquidity of funds, profitability & gearing.

7 (b) Problems faced by entrepreneurs.

- cash flow management.
- Hiring employees.
- Time management.
- Delegating tasks.
- Choosing what to sell.
- Marketing strategy.
- Capital.
- Strapped budget.
- Business growth.
- Self doubt.

Capacity building for entrepreneurs.

To be a successful entrepreneur individual must build capacities in four key strategic areas - operational, management, financial management & personal capacities.

1) Operational capacity building :-

It involves working in a variety of business operations for a period of time prior to diving into entrepreneurship.

## ② Management capacity building.

The valuable experience gain managing operations, resources & people will give the applicable tools for own business, with a few years of management experience, will gain management capacity & understanding of responsibilities & accountabilities at that level.

## ③ Financial management capacity building

Need to be able to accurately estimate & to understand them with gained skills, you will need to be able to analyze financial statements, looking at trends & indicators & what these all mean to business. Financial reports provide key indicators & information on the business financial health, there is a wealth of information in the financial statements.

## ④ Personal capacity building.

Demonstrating strong traits & behaviours such as dedication, strong will, ambitions, openness, determination, transparency, fairness etc. may move along the pathway to become successful entrepreneur.

80.

## Mobility of Entrepreneur.

4  
13

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

It is broadly classified into:

- ↳ Occupational mobility
- ↳ Location mobility

Mobility of entrepreneurial also includes the crossing of industrial &/or functional boundaries by enterprises.

Several factors can influence entrepreneurial mobility → Market conditions:

Economic factors such as market size, demand competition & regulatory environment can significantly impact entrepreneurial mobility.

# Business Opportunities in India.

Successful startups in India need creativity, proper planning, execution & market awareness.

Create a detailed business plan outlining objectives, strategies & market analysis before starting a business.

Start up business ideas in India will only work if they have a futuristic approach. Entrepreneurs should keep an eye on the decreasing trends & fastest growing opportunities in the market.

Start up business ideas in India.

- Content writing & blogging
- Digital marketing.
- Edutech business
- Network marketing
- Drop shipping etc.

8(b)

## Models for opportunity evaluation ⑤

RAMP model is a framework designed to evaluate business opportunities by assessing four key components: Return, Advantage, Market & Potential.

The two main approaches fall into two categories are

- Stage gate process
- Feedback-loop-based approach involving agile decision making.

The 3 evaluation models are.

- Goal-based
- Process - "
- Outcomes - "

## 8@ Mobility of entrepreneurs

### 9@ Procedure: setting up an Enterprise.

The procedure for setting up of a business enterprise are:

#### 1) Selection of a project.

This involves selecting a product or service location for unit, project feasibility study, business plan preparation, and preparing the project profile.

#### 2) Decide on the constitution.

To start an industry, the promoters have to decide on the constitution of the unit. There are four major alternatives, namely sole proprietorship, partnership, corporation company, cooperative & franchising.

#### 3) Registration.

- obtain SSI Registration.
- provisional registration certificate
- Registration formalities,
- Permanent Registration certificate
- Registration formalities
- Registering an SSI unit,

#### ④ Obtain clearances from specific departments.

Several clearances are required from different authorities depending on the type of industry & the location of the unit.

#### ⑤ Arrange for land/shed.

The promoters of the unit could consider taking an industrial site & constructing a shed as per their requirement.

#### ⑥ Arrange for plant & machinery

The plant & machinery required for the project could be purchased from recognised manufacturers/dealers. The plant & machinery could also be taken on a hire-purchase scheme operated by the NSIC.

#### 7) Arrange for Infrastructure.

The main infrastructure facilities required for a SSI unit are land or shed for the project, power connection, water supply & telephone facility. SWA's are set up at district level for the benefit of small scale industries.

## 8) Prepare project Report.

(14)

For any new project or venture, proper planning is necessary. A detailed project report provides such a plan for the project. The report is useful to the entrepreneur for planning & implementing the project.

## 9) Apply and Obtain Finance.

There are various sources of funds. They are share capital, internal accruals, Deposits - own/public, debentures, short term borrowings, long term loans, bridge loans etc.

## 10) Implement the project & obtain final clearance.

The entrepreneurs will have to take necessary steps to physically implement the project after obtaining the various licenses, clearances, infrastructure, facilities & so on.

## 9 (b) Purpose & contents of a business plan.

A business plan is a document where you plan your business to have an organised & effective response to a situation which may arise in future. Business plan is not just for a start-up company but also for those which are growing. It can be used to establish realistic goals or target to achieve & to determine the current position.

A business plan is used to help make crucial start-up decisions; to reassure lenders, investors or backers, to measure operational progress, to test planning assumptions, to adjust forecasts, & to set the standard for good operational management.

A workable business plan has the following features:-

- Determines where the company needs to go
- Forewarns of possible roadblocks along the way.
- Formulates responses to contingencies
- Keeps the business on track to reach its planned goals.

## contents of a business plan.

(15)

In order to proceed investment proposals & arrive at investment decisions, the following contents are covered in business plan.

### - General information:

Start a business plan with describing your business and product or services. Indicate the market you are targeting & the stage of development your company is in. If you get stuck at a particular part of the plan, leave it for a while & get back to it later & finish it. You can ~~not~~ make perfect first drafts. So just get some thoughts down to start the process. One can always come back & change it or polish it ~~as~~ up later. Keep the following points

- Keep target audience in view.

- Strategy - core of a business plan.

- Be realistic.

- Involve people.

- Think competitively throughout.

10@. Different state level institutions that support business opportunities. (16)

Technical consultancy services organization of Karnataka: (TECSOK)

TECSOK was established in 1976 by the Government of Karnataka. The primary objective of founding TECSOK was to provide reliable consultancy support for entrepreneurs to start up self-employment ventures in Karnataka.

Karnataka state Industrial Investment & Development Corporation (KSIIDC)

KSIIDC established in 1964, greatly instrumental in the industrialization of the state, especially in the large & medium sector.

Karnataka Industrial Area Development Board (KIADB)

KIADB is engaged in acquiring & developing industrial lands in different industrial areas. KIADB acquires land in specific location of investors choice & develops the land if required at entrepreneurs cost. KIADB industrial lands.

are generally of "ready to occupy" condition with all basic infrastructure facilities.

## Directorate of Industries & Commerce (DIC)

The DIC, established in 1913 under the erstwhile princely state of Mysore, the department oversees the industrial development in the state.

The department has established the single window mechanism for faster, single point clearances to be given to projects seeking infrastructure facilities / incentives / concessions & helps in establishing industries & business in Karnataka.

## Karnataka Udyog Mitra (KUM)

KUM was established as a society in the year 1992 with the objective of attracting investments in medium & large & mega industries into the state, both from within the country, as well as from outside the country.

10 (b)

## NBMSME

Micro, small & Medium enterprises board is reconstituted every 2 years, & is headed by the minister in charge of ministry of micro, small, & medium enterprises in the government of India. The board comprises industry ministers of state governments, secretaries of various departments of government of India. The board heads / senior representatives of financial institutions, public sector undertakings, industry associations.

Objectives:- To facilitate coordination & inter institution linkages among various ministries, state governments, banks, financial institutions, MSME associations etc.

## Functions:-

Though a non-statutory body, the MSME board provides an effective platform for informed debate & facilitates coordination & inter-institutional linkages.

## MSME DO : (MSME Development Organization)

Established in 1954, headed by the additional secretary & development commissioner (MSME) is one of the apex bodies of the GOI, MSME, to assist the government in formulation of policies & programmes, project schemes, etc for the promotion & development of MSME in the country.

Functions :- MSME DO functions through a network of MSME development institutes, Branch MSME development institutes, regional testing centres, field testing stations & autonomous bodies.

- Advising the government in policy formulation for the promotion & development of MSME.
- providing technoeconomic & managerial consultancy,
- providing facilities for technology upgradation, modernization, quality improvement etc.

# National Small Industries Corporation (NSIC) ⑧

NSIC was set up in 1955 as a public undertaking. It is engaged in promoting & developing small-scale industries in the country.

## Functions.

- Procuring government orders for SSI.
- Supplying machinery on hire purchase basis
- Developing small scale units as auxiliaries to large industries.
- Arranging the marketing of products of small scale units & promoting exports.
- Undertaking the construction of industrial estate
- Developing & upgrading technology particularly for projects based on wastes.
- Co-operating with the developing countries in setting up small-scale projects on turnkey basis

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