

III Semester M.B.A. (Day) Degree Examination, Jan./Feb. 2007
(Updated Scheme)

3.2 : ENTREPRENEURSHIP

Time: 3 Hours

Max. Marks: 75

SECTION – A

1. Answer **any six** of the following. **Each** sub question carries 2 marks. (6×2=12)
- Define entrepreneur.
 - Differentiate between creativity and innovation.
 - What is opportunity identification ?
 - What is entrepreneurial partnering ?
 - What are focus groups ?
 - Define trade mark.
 - What is meant by the concept “hitting the growth wall” ?
 - What is ‘Leveraged buyout’ ?
 - Define sick unit.

SECTION – B

Answer **four** of the following. **Each** question carries 5 marks. (4×5=20)

- Explain the forces that are driving the growth of entrepreneurship.
- Discuss the popular myths of entrepreneurship and why they are more fantasy than fact ?
- Briefly distinguish between ‘manager’, ‘entrepreneur’ and ‘intrapreneur’.
- Why is a business plan so important to i) the entrepreneur ii) to the investor iii) to the customers and iv) suppliers ?
- Explain the structure of financial plan for a new venture.
- What is Bankruptcy ? Discuss the warning signs of Bankruptcy.

SECTION – C

Answer **any three** from the following questions.

(3×10=30)

8. Differentiate between corporate and entrepreneurial culture. Explain the process of establishing entrepreneurship in the organisation.
9. Describe the major components of a business plan with a suitable example.
10. Discuss the various options for entrepreneurs to enter into international business.
11. Describe the problems and support needs of small scale enterprises and the role of government in SSE's development.
12. Explain the advantages and disadvantages of going public. What are the alternatives to going public ?

SECTION – D

Case Study:

Analyse the following case and answer the questions.

(1×13=13)

13. When Deepak Joshi was 17 years old, he sampled ice cream at a store and thought that he could make it better. He made his own recipe and began selling ice cream bars, cones, and cups in his hometown of Belgaum. People began asking him for more. Deepak got himself trained at Mysore and developed skills to prepare ice creams of different flavours and compositions. Using meagre profits and his mother's kitchen, Deepak Joshi began making large batches of ice creams. He then designed his own wrappers and developed a commission system for friends who sold ice creams at several schools.

Business was so good that it became an obsession. Deepak worked after college, weekends, and holidays, and aside from a brief period when the health department suspended his operations until he obtained proper permits to make ice creams, he made different types of ice creams by trying his own methods until he graduated from college. At first, he could meet the demand without purchasing special equipment or sacrificing other activities, but when he began providing ice creams for college fundraising events and fun fairs, demand exceeded capacity, and Deepak found himself buying professional equipment, hiring helpers, and purchasing bulk supplies.

Looking back, Deepak recalled the obsession, the long hours, and the drive to learn about business. Deepak set about placing orders with local stores and developing contracts with dozens of schools, colleges, caterers, hotels and civic

organisations. His business soon consumed his entire family and closest friends; he registered the company and set up an ice cream parlour. During the first month, he had 18,000 orders, and by the time he graduated, Deepak was distributing specialty ice creams to retail stores in three states.

At the age of 26, Deepak repositioned his company as a major distributor of specialty ice creams and began planning a chain of upscale ice cream parlours which would complement his current ice cream manufacturing and distribution system. When he paused to think about his plans, he realised that to launch a regional or national chain would mean major changes in his organisation. He and his family could not handle all the responsibilities, and the nature of Deepak's ice cream business would change. Although the idea of pursuing a major business was exciting, Deepak would not help feeling apprehensive.

Reflecting upon his business, Deepak realised that many people considered his success to be no more than the luck of a personable young man who made good ice creams and had accidentally stumbled upon a few good markets. In fact, he had worked extremely hard to attract clients. Most of his customers had not been comfortable buying from a young college student, and customers seldom took him seriously until they had dealt with him for a long time. Winning over customers had always been a challenge to Deepak, not a roadblock, and creating unusual ice creams had been exciting.

He was not anxious to become a corporate manager, and although he had always worked well with others, Deepak liked being independent. Running a company would mean sacrificing his autonomy, yet the idea of a chain of stores selling his specialty ice creams had been a dream for years. At the same time, expansion would mean financial risk, and Deepak had always avoided debt; he dealt in cash and had always carefully calculated his expenses to avoid even the slightest loss. He realised that he was at a major crossroad in his young career. The choice seemed to be whether to follow his dream and expand or to be content with his existing business.

Case questions :

- 1) Identify the entrepreneurial characteristics of Deepak Joshi. How do they match the characteristics described for successful entrepreneurs ?
 - 2) Take a position regarding the decision facing Deepak on whether to expand into a chain of ice cream parlours.
 - 3) Based on what you know about Deepak and what you believe his characteristics to be, would you say his success was due to luck or persistence ? Explain . How does luck play a role in any new venture ?
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