



III Semester M.B.A. (Day) Examination, January 2009
(2007-08 Scheme)

3.1 : ENTREPRENEURSHIP AND NEW VENTURE CREATION

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer **any six** of the following. Each sub-question carries **two** marks. (6×2=12)

1. a) Define entrepreneurship.
- b) Who is an Intrapreneur ?
- c) What is corporate entrepreneurship ?
- d) Distinguish between creativity and innovation.
- e) What do you understand by business plan ?
- f) What is corporate venturing ?
- g) Define a small Enterprise.
- h) Who is an Entrepreneur ?

SECTION – B

Answer **any three** of the following. Each question carries **eight** marks. (3×8=24)

2. Explain the role of Entrepreneurship in economic development.
3. Discuss the legal issues involved in setting up the organisation.
4. What are the problems faced by SMEs in India ?
5. What are the different types of Business plans ? Why some business plans fail ?
6. What is the need for corporate venturing ? How to create the right environment for corporate venturing ?

P.T.O.



SECTION – C

Answer **any two** of the following. **Each** question carries **twelve** marks. (2×12=24)

7. Explain the entrepreneurial process and the qualities of successful Entrepreneurship.
8. Distinguish between creativity and Innovation. Explain the techniques for improving the creative process.
9. Discuss the steps involved in starting a new business enterprise.

SECTION – D

10. The case study is **compulsory**. It carries **15** marks. (1×15=15)

Never Too Young

When Erica Gluck was just seven years old, she wanted to earn her own money so badly that she threatened to sell her teddy bears on the sidewalk. Instead, she approached the owners of a pasta shop where she and her family often shopped and asked if she could sell their pasta at weekend farmers' markets near San Diego. "I really loved [their pasta]," Erica says, "and I wanted everyone else to try it." She bought 120 packages at \$1.25 with the intent of selling them for twice their cost. "We figured the worst that could happen is that we'd be eating pasta every night for a month," recalls Erica's mother, Mary. Their supply sold out quickly, and a new business, Erica's Pasta, was born. The company has expanded over the years and now sells pesto, Olive oils, and hearth-baked breads in addition to pasta. Erica's parents now work for the business full-time, and Erica helped her father, Chris, write a pasta cookbook that includes kid-friendly recipes that the company sells through a separate division called Pasta Press. Erica's little sister Katie has created her own business as well : Katie's Koop, which sells fresh eggs at the farmers' markets. Both girls give 10 percent of their earnings to their church, save 50 percent, and spend the rest. "We would never have done this if it weren't for Erica," admits Mary.



While a junior in college, Adam Witty got the inspiration for his business after repeatedly watching his busy father's Orlando Magic tickets go unused when his schedule changed unexpectedly at the last minute. "I remember seeing Dad throw away Magic tickets because he couldn't attend the game, and he couldn't find anyone else on such short notice to use them," says Witty. He launched Ticket Advantage, a Web-based company that provides an online matching service for ticket holders and ticket buyers. Using Ticket Advantage's secure transaction system, single-game ticket buyers can purchase from season ticket holders seats that would normally not be available. In addition to the National Basketball Association, Witty's company has partnered with almost every major sports organization, including the Women's National Basketball Association, the National Football League, Major League Baseball, Major League Soccer, the National Hockey League, the National Collegiate Athletic Association, the Arena Football League, and National Association of Stock Car Automobile Racing. Witty developed the concept for Ticket Advantage in his Clemson University dorm room and used the resources of the university's Spiro Center for Entrepreneurial Leadership to polish his idea.

Budding entrepreneurs at the University of Maryland can take advantages of a special program the school designed to "create a culture for entrepreneurship." The university's Hinman Campus Entrepreneurship Opportunities program provides space in a specially outfitted dormitory for 100 students who want to build their own companies. Students not only share living space with other like-minded entrepreneurial types, an ideal setting for encouraging start-ups, but they also have access to amenities such as a professionally appointed conference room, wireless Internet access, smart white boards, ample computer facilities, videoconferencing equipment, copiers, and a phone system that rings simultaneously home and cellular phones so that no one misses an important business call. Weekly presentations from entrepreneurs, venture capitalists, attorneys, and others help students define their business ideas and develop their business plans. Two hundred students applied for the 100 available spots in the dorm with its incubator-like business environment. The program, which won the



Price Institute Innovative Entrepreneurship Educators Award, is working. Twenty of the students already have launched companies, including a medical software company and a textbook sales business. "It's often over those late-night pizzas where the best ideas are born," says one official. One student entrepreneur in the program agrees, "A lot of it is the community. Being around people in the program inspires one to think about other opportunities out there. What I've learned here is how to plan, how to make a business actually work."

Think you're too young to be an entrepreneur ? No way ! Tyler Dikman, who started a computer supply company at age 15, says, "I wish I would have started the business earlier. You can what-if yourself forever, but I do wish I had started when I was 13."

- 1) In addition to the normal obstacles of starting a business, what other barriers do young entrepreneurs face ?
 - 2) What advantages do young entrepreneurs have when launching a business ?
 - 3) What advice would you offer a fellow college student about to start a business ?
 - 4) Work with a team of your classmates to develop ideas about what your college or university could do to create a culture of entrepreneurship on your campus or in your community.
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