



PG – 670

III Semester M.B.A. (Day) Examination, January 2010

(2007-08 Scheme)

MANAGEMENT

Paper – 3.1 : Entrepreneurship and New Venture Creation

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any six** of the following. **Each** question carries **two** marks : (2×6=12)
- Define entrepreneurship.
  - What is opportunity identification ?
  - Define small and medium enterprise.
  - Differentiate between creativity and innovation.
  - Why some business plans fail ?
  - What do you mean by Provisional Registration Certificate ?
  - What is 'Angel' financing ?
  - What do you mean by initiation strategy ?

SECTION – B

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

- What are the myths associated with entrepreneurship ? Debunk each.
- Explain the forces that are driving the growth of entrepreneurship in India.
- Describe the steps in the creative process.
- Discuss the various steps in new product planning and development.
- Explain the process of establishing intrapreneurship in the organisation.

P.T.O.



## SECTION - C

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

7. Discuss the importance of small and medium enterprises in the economic development of a country and comment upon their problems in the post liberalisation scenario.
8. Explain the advantages and disadvantages of the three major forms of business ownership.
9. Why every entrepreneur should create a business plan ? Discuss the elements of a solid business plan.

## SECTION - D

10. **Case study :**

Read the following case and answer the questions given in the end.

Dick Bardow sat quietly in his car, pondering why he had failed to convince Pat Guinn, managing partner of Next Century Venture Capital, to provide the start-up capital he needed to start the business that would launch his new high-tech medical invention. Bardow had spent the past three-and-a-half years researching and developing the concept, and now that he had a product in hand, he was ready to take it to the market. The idea for Bardow's new venture had been simmering for many years during his stints as a researcher for a major medical lab and as a technical advisor for a medical products company. Bardow had learned a great deal about the use of the end product in his technical job, which he took after earning a master's degree in biomedical engineering. It was during his tenure at the medical lab that Bardow saw the importance of staying on the cutting edge of technology in the field of medicine. He also saw the tremendous profit potential of successful medical products.

Driving home, Bardow replayed his meeting with Guinn in his mind. "How could those venture capitalists have missed the tremendous opportunity right in front of them?" he mused. During his 45-minute meeting with Guinn and her staff, Bardow had spent 30 minutes explaining how the technology had evolved over time, how he had developed the product, and why it was technologically superior to anything currently on the market. "I've got them where I want them, now", he remembered



thinking. “They can’t help but see the incredible power of this technology.” Throughout his corporate career, Bardow had earned a reputation for his ability to explain abstract ideas and highly technical concepts to his fellow scientists. Over the years, he had made dozens of presentations at scientific professional meetings, all of which were well received.

Bardow had to admit, however, that he was really puzzled by all of the questions Guinn had asked him toward the end of their meeting. They weren’t at all what he was expecting ! “She never asked a single question about my product, its design, the technology behind it, or the patent I have pending,” he muttered. He remembered her questioning him about a “market analysis” and how and to whom he planned to market his product. “How foolish!” he thought. “You can’t forecast exact sales for a new product. Once this product is on the market and the medical industry sees what it can do, we’ll have all the sales we’ll need – and more”. Bardow was convinced that Guinn simply didn’t understand that new, innovative products create their own markets. “I’ve seen it dozens of times,” he said. Bardow was beginning to believe that venture capital firms were too focused, on revenues, profits, and return on investment. “Don’t they know that those things are outcomes ?” he thought. “They come ... in time”.

**Questions :**

- a) Identify the possible problems with Dick Bardow’s presentation of his business plan to Ms. Guinn.
- b) Should potential lenders and investors evaluate new ventures that are based on cutting-edge technology differently from other business ventures ?
- c) List at least five suggestions you would make to Dick Bardow to improve his business plan and his presentation of it.